G. R. S. 58]

Previous references. 1923 (Ext)

File No. 87-23
Serial Nos. 1, 2

Later references

Ger 142-25 (1-2)
1924-25 (3-4-10)
Ger 97-26 (1-5)

11a/2-17 17
18-22

(164)

GENERAL AND REVENUE SECRETARIAT

prescribed

Serial Nos.

Part B for Jamyas

SUBJECT

Grant of a Prospecting license for Chromite over Mr. Ramaya Hullenahalli Block

Ge 5013-04 d 27.1.25
To Director of Geology & Mining
Thro' Govt

Direct the Deputation of Officers
from Sandur & Honkata-Ramaya
for collection of full details
who

Encl contains a letter

(1)

G. R. S. 11] 1924

GENERAL AND REVENUE SECRETARIAT.

(Estt)

NOTES.

File No. 87/23

FILE HEADING.

Issue of a Prospective License over Baraspat-Kullendaleli Blocks in the Chromite bearing tracts of Salem for Chrome

From

The Offg Dir of Geology

No. 1766 Dated 16.4.24 Received

Diary No. 4461	Enclos. 5 Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

Recommends the grant of a Prospective license to Messrs. C. M. Gandia Chetty & Co in case the application of Mysore Chromite Co is rejected

NOTES AND ORDERS.

1) The Offg Dir of Geology explains the facts of the case clearly in his letter

2) Messrs C. M. Gandia Chetty & Co's previous application referred to in para 6 (a) in the Director's communication was for

NOTES—First Sheet.

4651 (a

G. R. S. III-2,

General and Revenue Secretariat. | Genl File No. 87 of 1923

Serial No.	
	the grant of a prospecting license over Hullenahalli Block, which was rejected by Govt. The present application for the license over the blocks is pending orders with the 2nd Member
N	
	3) Land Attaché on is also invited to para 1) of the Director's letter on the same point.
I & D	
	4) Messrs. Oakley Barnard & Co (Mysore Chromites Co.) pressed their claims for the ~~renewal~~ renewal of P.L. No. 473 over the Hullenahalli block in 1919, which were rejected by Govt.
A + H	As regards the prayer for the renewal of the area mined by them in the said block Govt. imposed certain restrictions (G.O. No. D.C. 4-5 - Genl. 27-22-10 dt. 2-7-23), & the Dir. now recommends the case of the Chromite Co. for consideration of Govt. if they are willing to condone ~~these~~ irregularities committed by them after the enforcement of the punishment ordered. (X) to them
E	
H & D (Para 16)	
(B) E	

NOTE—Contn. sheet.

G. R. S. III-2]

4461

(3

General and Revenue Secretariat. | Ker File No. 87 of 1923

Serial No.

~~two pamphlets dealing with~~
~~[illegible] from Chromite [illegible]~~
~~[illegible] Mr. Dixon [illegible]~~
~~[illegible] [illegible]~~
~~[illegible] [illegible]~~
~~[illegible] [illegible]~~

5) We also suggest that the question of granting prospecting licence for the block in question may be taken up for consideration after final orders are issued by Govt as regards the grant of ~~[illegible]~~ removal ~~[illegible]~~ and after the clearance of the ore lying in the block by the Company

6) Submitted for information

17/4/24

7) The Director of Geology has received the listing of this block in which one of the four applicants has their name, viz The Mysore Chromite Whose managing agents are Messrs Oakley Dowson & Co Messrs Manickam Nadar & Son

p. 11 & (1 para 15)

Area of the block to be left out of the grant, as the Mysore Chromite Co. has applied for

NOTE—Contn. sheet.

4467

G. R. S. III-21

General and Revenue Secretariat. | File No. | of 19

Serial No.

and B. Rangayya have signed. The fourth applicant Mr Janardhan is quite known to the Department.

9) It is for Consideration whether in view of the several irregularities committed by Messrs Oakley Duncan & Co. (vide G.O. dated E and the Director's Note in that file) their present applications deserves any sympathetic Consideration at the hands of Govt The Director seems however to think that they have Contributed in the G.O. of 1922 (dated E) and recommends their Case but a perusal of the papers bearing the G.O. at dated E will show that they have no right to expect Govt to be Considerate towards them

9) The Director of Geology does not recommend Mr Manicharlu's Case. on the ground that he has for plenty of work in his other mines & that if his block is also given, it will result in a monopoly Mr Modaliar's

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

5

Serial No.

Application for the grant of a monopoly to charge in Chennagalur Taluk is separately under consideration.

(10) Mr Ranganada's case is also to be considered as the Taluk Inspects he is not acting independently that his mining capabilities are not known. Mr Ranganada does not appear to be acting independently

(11) The Taluk Concludes by saying that if Govt Cain the Tin way to grant a license to the Mysore Chemists Ltd on account of their low salaried they record it may be granted to Mr Ely Cain a Chan who is a Mysorean, a graduate & has good finances.

(12) It is also pointed out (Para 15 of the Pro) that this has been given to Messrs Balla Brown & Co ~~to~~ on the 2nd July 1924 the renewal of the ore only their Guy on the Block that when the Block may be reserved Govt like to ore is removed

NOTE—Contn. sheet.

Rev Secy

2nd 29/4

4461
4568

G. R. S. III-2]

General and Revenue Secretariat.

Red File No. 87 of 19 23

(16

Serial No.

2

Forwarded A/S: Dept of Geology
No 1779 dt 17.6.24.
Forwards, for consideration
copy of letter No. 0.9886 dt 3.6.24, from
Messrs Oakley, Bangalore
13) Another paper received from
the Mysore Chromite Co. on the
subject (Above the Rly) is also put
for consideration
60 21/6/24

For orders
14) Read note is invited to the note on the previous page
SMR
21/6

Rev Secy)
15) The above statement of the facts
of the Case is Complete
16) Mr Oakley holds some shares
in the mine He will have to be
distinctly told that he must clear
the stock before the prescribed date
and that no extension of time
Can be given -
17) This is a valuable block and
it would be the best solution
working Can be made over
- a Company under the
management To give it to the
Mysore people Mr Oakley would appear
to be strengthening his position as a

NOTE—Contn. sheet.

General and Revenue Secretariat. | File No. 81 of 1925

7

Serial No.

Inconsistent the Orderly went in res-
pect of this matter as by no means
satisfactory and further action is necessary in
the work

18) I have put up herewith a letter
received from the Rangachari stating
that he has ceased Superintendence after
Kind reply is invited to the
enclosed file 21/9

11 January

19) Work may be done by the exp
in person tomorrow or on Thursday

21/9

8

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

20) Memorandum Enclosed for the Dewan's perusal a copy of the draft of despatch & I have with me to discuss the matter with H.H. & Council after the formation of a company to work the Chrome ores in the State

21) H.H. Maharaja Saheb Bahadur has permanently sanctioned a scheme on a royalty for the Varadhamanaiah & Ryan have also agreed to the proposals in the matter

22) The proposals will be considered as regards railway matters in due course for the Dewan's perusal & orders

2/5/24

Dewan with compliments

2/5

23) Seen & returned with thanks

N. B.—Should routine notes be written on small slips the notes must be copied or slips pasted on this form

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Mr Varadhamanayar's proposals received & linked

3/7/24

N. B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form

(10C

Serial No.

24) With regard to the disposal of the applications for chrome licenses, the matter was delayed till now, as Messrs. Vardhamaniah and Garudachar had informed me that they would submit definite proposals on the return of Mr. Sitaramachar from Europe. Mr. Sitaramachar has not returned yet. But Mr. Vardhamaniah has submitted his proposals for the floating of a company to work the chrome areas in the State if he is given the monopoly for the whole State for a period of 30 years.

25) 2. A statement (A) showing all the applications received till now with the terms offered by each of the applicants is put up.

26) 3. In view of the practical difficulties in calculating the net profit of the licensees - especially in the case of private individuals, I consulted the Director of Geology about the advisability of fixing a sliding scale of royalty based on the market price of the unit contents in respect of chrome as well as manganese. His reply received with D.O. No.2146 dated 19th/21st June is herewith put up. In his letter which deals fully and exhaustively ~~on~~ with the subject, Mr. Sen has, after giving briefly the rates of royalty on manganese and chrome in force in the State from time to time since 1905, suggested four methods for the - -

NOTE—Contn. sheet.

calculation of royalty on these minerals:-

(i) On the c.i.f. charges of the ore at the port of destination, U.K. or Continent.

(ii) On the f.o.b. or f.o.r. charges at the Indian port -Madras or Marmugao.

(iii) On the grade of composition of ore in accordance with a sliding scale.

(iv) On the basis of the value at the pit's mouth in accordance with a sliding scale.

(27) On a careful study of the details of the above methods as explained by Mr. Sen, I find that each of them is so complicated and contains so many uncertain factors which enter into the calculation o the royalty that I am unable to recommend any of them as a satisfactory arrangement. I am inclined to think that, as compared with any of these - methods, the one already proposed to be adopted by us, of levying a certain percentage of the net profits, is simpler, notwithstanding the practical - difficulties attending on the calculation of such profits.

28) 4. As regards the question of giving preference to a company over private individuals in the grant of licenses, 5 applications have been received (Nos. 1 to 5 in the annexed statement) from persons or companies offering to float a company

on the terms proposed by them. Most of these applicants want the monopoly for working the chrome mines all over the State for long periods extending from 30 to 60 years, and it is a matter for consideration if such a monopoly can be granted. I am not in favour of granting any such monopoly in respect of the whole State. I am of opinion that individual applications for the several blocks may be disposed of on their merits, for a period of 3 years only in accordance with the rules recently issued, preference being given from among the applicants to the person who is considered by Government among the several applicants most eligible by reason of his earnestness, experience and financial stability.

29) An exception may be made however, in the case of the Byrapur block alone which is considered to be comparatively rich and for which there are several applications. This block might be granted to a syndicate or company, if one comes forward, for a long period of 30 years if necessary. In view of the fact that surface rights and some of the lands comprised in this block are said to be owned by Messrs. Oakley and Manickvelu Mudaliar, it may be advantageous to have both these persons as partners in the company.

30) 5. If the above proposals are approved,

(13)

Serial No.

the question of forming a syndicate or company for working this Byrapur block and the terms on which the block may be given to the company will be required to be investigated by the Director and the result reported for the orders of Government.

Map

With regard to the other blocks for which applications have been received as shown in Statement B, where there is only one applicant for a block, the license may be issued to him after making sure of his bona fides and his financial ability to work the block. In cases in which there is more than one applicant for the same block, a selection will be made from among the applicants in consultation with the Director and the name selected submitted for the Dewan's approval.

Dewan

1/8/14

31)

Ch. Sec. will Compile

32)

6.8

(14

a very early
(For Disposal at/a Meeting)

No. C. 40
of 1924-5.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(Clause xxiv of the schedule)

33) Grant of prospecting licenses for chrome.

*CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

6th August 19 24.

Chief Secretary to Government.

Extraordinary Member of Council.

1230 / 7.8.24 **First Member of Council.**

150 / 6.8 **Second Member of Council.**

Third Member of Council.

(15

C40

Extract from the Proceedings of the 706th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 21st August 1924. *19*

33. Subject.

Grant of prospecting licenses for chrome.

OPINION OF THE COUNCIL.

34) **As regards the Bairapur block, tenders for working it may be called for, subject to the term of license being if necessary, raised to 10 years, and a maximum limit being fixed on the total quantity to be extracted.**

Note.

35) Pending applications for the others blocks may be disposed of under the rules.

(Signed) A. R. BANERJI,
Dewan of Mysore.

"EXTRACT"

36) Submit to 2nd Member for formal note.

Chief Secretary to Government.

37) Final NOTE is put up

23/5

WD 1471—GPB—2,000—1-3-21

G. R. S. III-2,

General and Revenue Secretariat.	File No.	of 19

Serial No.	
	38) S. N. Submitted Dewan) Seen & returned Dewan with sheet 4 21/8 39) 21/8

NOTE—Contn. sheet.

Final Note by the Second Member of Council. (17

Subject:—

Grant of prospecting licenses for chrome.

---

40) The restrictions imposed in Government Order No. I. & C. 4728-34/Geol.47-22-8 dated 29th January 1923 reserving chrome, manganese and some other minerals throughout the State having been somewhat relaxed in respect of chrome in Government Order No. I. & C.5146-57/Geol.73-23-1 dated 26th February 1924, a number of applications (as per statement herewith attached) for prospecting licenses for chrome has been received. In view of the practical difficulties in the calculation of the share of net profits payable to Government by the licensees under the new Rules, it was thought that in the ~~case~~ issue of licenses, preference may be given to joint stock companies as against individual applicants; and this was informally communicated to the individual applicants and also to others who were likely to interest themselves in the business.

41) 2. The undermentioned individuals or bodies have offered to float companies on terms noted in the remarks column of the appended statement:-

1. Messrs. The Mysore Chromite & Co., Ltd.
2. " V. Manickvelu Mudaliar & Son,
3. The Mysore Development Syndicate
4. Messrs. T. Laxmiah Chetty & C.B. Desai,
5. Messrs. B. Rangappa and Singri Nanjappa.

42) 3. After a careful consideration of all the circumstances of the case and the several alternatives measures suggested by the Director of Geology for the calculation of royalty, I expressed as my opinion in my minute dated 1st August 1924. that the proposal already sanctioned by Government for recovering one-fourth of

Page 25 of office Notes

18) 40

of the net profits from the licensees was the simplest; and as regards the disposal of the applications that had been received, I observed as follows:-

> "Most of the applicants (offers of foreign companies) want the monopoly for working the chrome mines all over the State for long periods extending from 30 to 60 years and it is a matter for consideration if such a monopoly can be granted. I am not in favour of granting any such monopoly in respect of the whole State. I am of opinion that individual applications for the several blocks may be disposed of on their merits for a period of 3 years only in accordance with the rules issued with Government Order of 26th February 1924, preference being given from among the applicants to the person who is considered by Government most eligible among the several applicants by reason of his earnestness, experience and financial stability.
>
> "An exception may be made however in the case of the Byrapur block alone which is considered to be comparatively rich and for which there are several applications. This block might be granted to a syndicate or company, if one comes forward, for a long period of 30 years, if necessary."

43) 4. The question was considered at the meeting of the Council on the 21st instant and it was resolved that- "as regards the Bairapur block tenders for working it may be called for, subject to the term of license being, if necessary, raised to 10 years, and to a maximum limit being fixed on the total quantity to be extracted and that the pending applications for the other blocks may be disposed of under the Rules."

Page 6 of office Note

44) 5. I beg to solicit the gracious approval of His Highness to action being taken in accordance with the above resolution.

SECOND MEMBER OF COUNCIL.

23-8-1924.

23/8/24

19

Submitted to His Highness.

45) I submit herewith a Final Note by the Second Member of Council on the subject of grant of prospecting licenses for Chrome.

46) The question has been discussed by me on several occasions with likely persons capable of forming a Sundicate, and also with the Second Member. There is keen competition for the Byrapur block, and it is necessary that we get the best possible terms. The offers received individually are not good enough. So, after discussion, the Council decided to call for tenders on the terms already approved by His Highness, the only modification being that the term be extended to ten years, and there should be a limit fixed on the quantity.

Page 6 of Office Note

47) The case will be further submitted for orders when the tenders are received. Sufficient safeguards will be taken to see that the tenders for consideration are <u>bona fide</u> and backed by business capacity and capital.

48) The resolution of the Council may be graciously approved.

Bangalore,
26th August, 1924.

26 AUG 1924

19
SGN.

Confidential 21) 7 B

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

49) *Grant of prospecting licenses for Chrome.*

Order.

50) ~~KRW~~

27/8/24

Rezeey

51) Tenderers may be invited immediately to apply 49

28 AUG 1924

1/8/18

(21

General and Revenue Secretariat.

52) Grant of prospecting licenses for Chromite.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to the Members of Council for perusal of His Highness' orders $\frac{\text{before}}{\text{after}}$ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure)

Chief Secretary to Govt.

Through the Secretary to Government.

.....Revenue.....Department.

53)

FIRST MEMBER OF COUNCIL.

54)

SECOND MEMBER OF COUNCIL.

THIRD MEMBER OF COUNCIL.

NOTE—Contn. sheet.

Mono WD 1190—GPB—500 9-1- 3.

22) 14

G. R. S. III-2]

General and Revenue Secretariat. | Ext File No. 73 of 1923

Serial No.

55) A Notification calling for tenders is put up for Consideration as directed.

56) The area of the block in question is not stated as it is not quite definite. The Mysore Chromite Co who were the last licensees had been granted a prospecting License for chrome ore over an area of one Square mile Ruh

Flag M

Flag G1

from the date letter of the Kn. Agency No 1966 Statement Enclosed

with be seen that the four applicants have applied for four different areas ranging from one to four Sq miles. In the three Cases desirable not to mention any area the applicants may not all apply for the Same area

57) As regards the maximum limit referred to in the Council Resolution it will be seen from the Statement flagged D, that 31,151 tons of chrome were obtained by the Mysore Chromite Limited from during the period of the License calendar year The

Flag D

Statement flagged E, which is an enclosure to the Secretary's letter of the 7th April 1923, shows that 29 198 tons of chrome were obtained during 1918-19.

Flag E

NOTE—Contd. sheet.

Serial No.

58) In these circumstances a quantity of about 35-0001- tons may perhaps be fixed as the maximum to be extracted per Square mile per Year. As the licenses are to be granted for a period ranging from one to ten years it is not possible now to define at a single maximum how far Dr Lewis best to Consult the Dr of Geology and ascertain from him what would be a reasonable maximum would be.

For orders

SMR 31/8

59) Rec Secy) The above note has been put up by the Asst Secy under my instructions. The Dr of Geology was to express his Consultant as regard the description of the Barrumpore area & also about the maximum Quantity that may be extracted in a year.

b) The applications for the other blocks will be considered separately and under orders.

11 Sept 24

b) Secretary to Govt of Bengal in Industries Department for information

2-9-1924

SMR 3/9

52/3.9

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.	File No.	of 19

Serial No.

62) A revised [illegible] is pursuant

3/9

Rev Secy)

63) A Revised Application has been received from a Contractor stating that he has obtained a prospecting license for a Granite quarry. The latter wants a man to carry on work over a larger area, though of course on a precarious tenure, & on payment of less ground rent than in the case of a Granite quarry lease

Re 3.9

90/3.9 11 Chenab)

64) The drgs & sections seem to be all right. It is approved

65) The rly to be submitted for Revenue approval also

Dusy 6/9 Re 6.9 dy 4/9

To be put up with papers in the Note Book.

Note—Cont. sheet.

Sri Ramulu Pantulu

Thereafter above

Plans would be received

For permit Regd 7/9 Secy 7/9

G. R. S. III-2]

95

87

WD 2312—GTB—10,000—01-9-23

General and Revenue Secretariat. | Cyclo File No. (93) of 1923.

Serial No. (19) 11(a)

To

The Compiler Mysore
No.c 1665 of 37-9
Lengths.

Notice that applications from persons who are prepared to form Joint Stock Companies or Syndicate will be received by the Rev. Secy upto 7th Oct. for the Right to mine Chrome Ore on the Byrapur-Hullenalli Block in the Channarayapatna Taluk Hassan District.

To

The Publicity Officer
No.c 1673 of 6/9/24.

Forward copy of the above.

NOTE.—Contn. sheet.

G. R. S. III·2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat.

Govt File No. 87 of 1923

Serial No.	
12	From Messrs Oakley Bowler & Co Letter dt 12-9-24 forward copy of their letter of 30.8.24 to the Govt. subg certain proposals regarding the working of the Chromite mines in the Byrapur-Hulemaladlu block, & the
13	From the Dir. of Geology No 3756 dt 15.9.24 Submits a copy of the letter ref. to above & states that he has replied to the Company to submit their full scheme to the Govt. before 1.10.24 on/a name of the notice calling for tenders
67)	~~If approved this may refer~~ the notice referred to above has been ordered to be published in 3 issues of the Gazette & there is time till 1.10.24 & no formal sanction has been rec'd
68)	for orders 22 22/9/24
69)	as present— To make terms necessary if necessary the

NOTE—Conton. sheet.

File No. 87 of 19 74

Serial No.

Advocate may be refused to act
behalf required to submit
his appn as required therein
SMR 26/9

Rev Seen

70) For perusal
This order goes beyond the question
of the Bye-laws framed by appln,
the company will be informed
that Govt cannot consider the
present proposal of the unless
the Bye-laws are
duly amended SMR 27/9

27/9

I agree
27/9
Rep as me
30/9 SMR
30/9

71) Draft Rules
30/9/74

72) Bye-laws issue
SMR
30/9

Rev Seen

73) Issued
SMR 3/10

NOTE—Contn. Sheet

(218 20

General and Revenue Secretariat. | Genl File No. 87 of 1928

Serial No.

14 To

The Managing Agents
Kaiser Chronicle Ltd.

Dr 2.C. 2348 dt 30/9/24.

With reference to Sl (12) State Govt. Council. Consider Rice / Maize proposal, Under if may wish to tender for Byrapur Rice with reference to Govt. notifn dt 5/9/1924 they may do so

To

The Offg Director of Genl.

Dr 2.C 2350 dt 30/9/24.

Forwards copy of Sl (14) with reference to Sl (13).

NOTE—Contn. Sheet

6 L, 5 L, 1 L 5 (29

General and Revenue Secretariat. | Govt File No. 87 of 1923

Serial No.

75 From Messrs: Mysore Chromite, Ltd.
Application dt 26.9.24.
Submit an application for the right to mine Chrome ore in the Byrapur-Hullenahalli block as called for in Govt Notice dated 5-9-24

16. From Messrs T & C. Selby & C. B. Deacon
Application dt 30-9-24
— do — do —

17 From Messrs Sangem Narayyappa & K Venkatappa
Application dt 30.9.24
— do — do —

E 74) Subd. with a statement giving detailed information called for in Notice dt 5.9.24
K 2/10/24

75) The two Applications received have been put up with a Comparative Statement Mess Lakshmanrao Selby & Desai Offer to pay Govt Rs. 5/- per ton which means a definite return to Govt Reference in the 1st to the Govt's letter dt 6.5.24 In the other two Cases, the income offered to Govt is not definite and Govt would be losing on income

Flag Z (Jan 11)

NOTE—Contn. Sheet

File No. 87 of 19 23

General and Revenue Secretariat.

Serial No.

only if the Cucums make a Sufficient profit are taken in working expenses

For orders

SMR 2/6

Rec'd Secy

76) In response to the Government Notice dated the 5th September 1924 calling for applications for working the Birapur-Hullenahalli Block 5 applications have been received from the following persons:-

1. The Mysore Chromite Ltd.
2. Mr. Manikavelu Moodr.,
3. Messrs. Singiri Nanjappa & Natkalappa.
4. Messrs.T.Lakshmiah Setty & Desai.
5. Mr.M.C.Garudachar.

The notice sets forth that all applications will be received by the 1st of October. But except the application of the Mysore Chromite Ltd., all the applications have been received either on the first or later.

77) A statement has been put up showing the terms offered by the different tenderers. All the five parties who have now tendered had - tendered before. The proposals made by the Mysore Chromite Coy., and Mr.Manikavelu Moodr are of a complicated description which is perhaps inevitable as they hold at present conces-

NOTE—Contn. Sheet

sions

Serial No.

in respect of some chrome blocks. Mr.Oakley is the moving spirit of the Mysore Chromite Coy. and he is apparently anxious to secure this important block. At present he deals in chrome which he purchases at mine head from Mr.Manikavelu Moodr. He is obviously anxious to secure this mine as he will be found the necessity of getting ore from Mr.Manikavelu Moodr. Mr.Manikavelu Moodr., seems to be prompted by a desire to prevent competition with his Baktarhalli and other mines in the same taluk. He does not want to work the block. But he wants to take it up so as to prevent other people from producing ore and competing with his ore. As regards the scheme put forward by Messrs.Lakshmana Setty and Desai it is not on the lines indicated in the notice. They state that they will invest their capital charging interest at the rate of 9 per cent per annum, that they will deduct from the gross realisations the working expenditure, interest at 9 per cent and profits at Rs.5 per ton and hand over the surplus profits to Government. It may be noticed that no fixed proportion of the profits is promised to Government. How much will be received by Govt., on the basis of this proposal it is very difficult to say. As regards Messrs.Singiri Nanjappa and Netkalappa it is stated that they will pay 30 per cent of the annual net profits to the Govt.

in addition to the usual Royalties. As regards Mr.Garudachar he states that he will pay to Government 25 per cent of the annual net profits.

Serial No.

KR 10/IV

II Asst)

78) Before Embodying my definite opinion on the matter I should like to hear the Dewan's views on the proposal which I shall do as soon as I return Bangalore

79) If any person be desirous to grant the Licenses Each is to Communicate Readily or by the Post Channel as mentioned by the Sahukar, if Each of them will come to reasonable terms and offer us one fourth a per centage a basis proposed by them I think the terms will then also, if the Sahukar no Each & us agree my return to Bangalore

80) Meanwhile the papers may be submitted for the Dewan's perusal

KR 13.10

11/10/23

Dewan)

81) Myself consulted regarding

Y C 4/3-10

82) For perusal

KR 14/10

SM 14/10

290/14.10 II Asst

I shall by will Comply

14/10

KR 15/10

SM 15/10

NOTE—Contn. Sheet

Received 17/10/23

(For Disposal at Next Meeting)

No. C. 40

.....6th.....1924-5

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.
(Clause xxiv of the schedule)

83 Grant of prospecting licenses for chrome.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

16th October 192

Extraordinary Member of Council.

First Member of Council.

Second Member of Council.

Third Member of Council.

26

11 C40 34

Subject

'ant of prospecting licenses for chrome

OPINION OF THE COUNCIL.

(35)

G. R. S. III-2]

General and Revenue Secretariat.

Rev File No. 87 of 1923.

Serial No.

86) As suggested by the Dewan at the last meeting of the Council on the 1st instant, I discussed the subject with the Director of Geology as also with Mr. Seetharamachar and Mr. C.F. Deane from Madras who was, as he told me, sent to me by the Dewan.

87) The opinion of the Director of Geology (Mr.B Jayaram) on the subject, formed after personal discussion with Messrs. Manickvelu Mudaliar and Oakley in the presence of the Revenue Secretary, is contained in his D.O. of the 5th instant which is herewith enclosed. It will be seen therefrom that, for reasons given by him, Mr. Jayaram is not in favour of the departmental working of the Byrapur block and considers that in the event of the Government not being willing to give the block to private applicants, it should be held in reserve with a view to supply the future demands of the Mysore Iron Works at Bhadravati.

Flag V.

88) I note below my views on the question of working the block by Government as a Departmental concern, after giving my best consideration to the subject. In order that the business may be successful and profitably worked by Government, we should be assured-

(i) That there is a good market for the ore;

(ii) That the supply of the ore in respect of

NOTE—Contn. sheet.

Serial No.

both quality and quantity will be sufficient to enable us to enter into any forward contract for the sale of the ore;

(iii) That there will be no practical difficulties in the collection and transport of the required quantity of ore.

89) As regards the market for the ore, the enclosures to Mr. Jayaram's letter as also the statement made by Mr. Manickvelu Mudaliar in his application and the information furnished by him as well as Mr. Oakley would seem to show that the demand for the ore is fluctuating and uncertain and we cannot therefore be sure of finding a market for the ore as it is collected from time to time. Mr. Seetharamachar informed me that he might be able to arrange with an American firm for a forward contract for about 10,000 tons of ore for a year, provided we can guarantee the quality (which should be not less than 48%) as well as the quantity But I was informed by Mr. Jayaram as well as Mr. Sen with whom I personally discussed the matter, that it will be impossible for Government to give such a guarantee. as chrome ore is erratic and no safe forecast can therefore be made of the possible annual output from any block, in respect of either quality or quantity. Mr. Seetharamachar himself

Serial No.

himself was also of the same opinion when I explained the above situation to him. Further, even if the required quantity and quality of ore can be obtained from the block, there are various practicable difficulties in the working of the block which have to be contended against, e.g. the organisation of the required labour, the carting and other facilities for transport of the ore from the pit's mouth to the Railway station and again from the Railway station to the sea-port etc

90) Mr. Deane of Madras first offered to take up the general supervision of the working and the marketing of the ore for a commission of 2½% on the Government realisations by the sale of the ore but on fully discussing the subject with him, he seemed also to be convinced of the practical difficulties in the way of the Government undertaking the working of the block. He appeared, moreover, to be more interested ~~for the present~~ in manganese than chrome which he was not keen to take up at present and said that he would arrange to obtain an offer from some English firm for the working of ~~the~~ some of the manganese ores in accordance with the terms recently notified by Government, after obtaining information from the Director of Geology about the location and nature

of the available blocks of the mineral.

For the above reasons I am not in favour of the Byrapur ~~Chrome~~ chrome block in question being worked by Government as a State concern, as ~~it~~ will be in summer of a highly speculative nature, in as much as there is no certainty of its turning out to be profitable; but on the other hand, the chances are that we may lose money over it

91) The next point to be considered is whether any of the applications that have been received for the block may be entertained and sanctioned or whether the block may be reserved for Government for the present as suggested by the Director. I may say here that there appears to be considerable force in the statement made by both Messrs. Manickvelu Mudaliar and Oakley and supported by the Director, that the throwing open of the block to others would only result in unhealthy competition and would therefore be ultimately detrimental to the success of this industry in the State. While deprecating the grant of a monopoly of the mineral in favour of a particular individual, it seems to me that it will be conducive to the best interests of the industry as also advantageous to the State if the block in question could be made over to either of the above persons who do the

largest business in chrome and have the greatest experience of it in the State and who, moreover possess extensive surface rights over the block. I am aware that there is an impression in certain quarters that both these persons have to some extent spoilt the reputation of Mysore chrome by want of straightforwardness in their dealings with the foreign purchasers. But I cannot say if there is any justification for such an impression; and even if there were, I think it should be possible for Government to remove it by coming to a suitable understanding with them in the sorting of the ore in future It would be a very good thing if both Messrs Manickvelu Mudaliar and Oakley could be made joint partners in the concern. But such an arrangement is perhaps not feasible, and we may have to choose between these two.

92) Whether either of these two may be chosen, and if so which of them, and on what terms, or whether we may reserve the block for the present, as suggested by the Director, are points which may be considered in Council.

Dewan

7/11/24

93) Dear there is no help
Mysore I recommend
C in the above note of

(40)

Serial No.	
	amount
	to member
	94) The block Whether or not - or whether the selection is the only criterion that can be preferred & value of bills more advantageous than others
	95) I consider the help of the deeds Volume - Wally unacceptable in view of the necessity to make some reforms I personally see no impossibility in run the block Systematically Meanwhile will be Left in Engineering hands & Maintenance Demand but some in Endeavour really others will defend as Irrigation Charges good enough to recover Probably 20 to 30 crore Rs - in addition to normal expenditures

G. R. S. III-2a]

DEWAN'S MINUTE

General and Revenue Secretariat. File No. 192

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

we personally interested cheque not
cashable as enjoyment Space is got
by Concerned

96) Why such cheque to
work the block is enjoyment
because holders to contractors
maybe any body like daily is a
Mudali) — Why to
deliver the one at railhead
are obtain free Contract
for 3 years — Volume Under
like accepted

97) Query if any one allotted
to dispatch — Reasons to be
from the working new experts
at the present juncture
May be carried as recommended

10 NOV 1924

98 in order

Includes in Agenda for next Meeting of Council on 13-11-24.
10/11/24

THE NEXT
(For Disposal at a Meeting)

No. C. 40

1924-5

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xxiv of the schedule)

99 Grant of prospecting licenses for chrome over the Byrapur Block.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

10th November 1924.

Extraordinary Member of Council.

3826
10/11

First Member of Council. 12/11

2279
10.11

Second Member of Council. 10/11

Third Member of Council.

~~25~~ 49

C40

Subject. - 12

Grant of prospecting licenses for chrome over the Byrapur Block.

107

OPINION OF THE COUNCIL.

107

Note

The Byrapur block may be reserved for the present despite the recommendation of the Minister to consider the question of granting prospecting licenses for manganese ores & minerals, especially manganese & chrome in the block at the proper time

13/11/24

349
14.11

(Vice President) 13/11/24

The proposal was

Serial No.

102) The persons who have submitted their tenders in respect of the Bagasse block (chrome) may be informed that as the first and second highest tenders they have not accepted and the tenders is prepared to reserve the block for the present.

Draft

103) As at present the Deputy Secretary for agriculture may be pleased to say that the first named has the chrome and manganese blocks & as the disposal of first party examined by an officer of the Mining Department, some months ago for the purpose with a view to have definite information regarding the

1 the Extent of each block

2 the good quality (grade) of ore in the blocks

3 the probable quantity that may be collected from the blocks

Draft

that Govt consider how to deal with the applications for special duty for the purpose & whether the Director in the matter also as regards the person who should be work in duty & also the Explosives when may have to be issued for the purpose

NOTE—Contn. Sheet

Revised

15/11/17 15/11/17

G.S.S. III-2 (b.XV)

1764+2543

Geol File No. 87 of 19 23.

Serial No.

104) Subd enclts 2 drafts F.D

19.11.24

105) Two of the Post up on two lines of the members order

Page 36

SM 29/11

Rev Secy

558/20.11 II

106) Draft appt for enactment

SM 21/11

20/11. K 21.11

Secy

SM 21/11

Sd (9) To

The Director of Geol

DO. No. 3505 of 20/11/24.

Requests him to furnish his opinion as regards the placing of Mr. Sen before Council with reference to the quality of ore and the manganese Chrome deposits in the State and the probable expenditure that the work likely involve etc

Sd 20) To The Agents Mysore Chromite Co. Ltd.
Messrs Sanga Ranjappa Iyer
Nellakallappa T. Lakshmaiah Setty
& C.B. Desai, & Ramakarelu Mudaliar & Sons,
& Mr. T. N. Gundachar

DO. No. 3505-9 of 21/11/24

NOTE—Contn. Sheet

38
46/22

General and Revenue Secretariat. | Geol. File No. 87 of 1923.

20. Serial No.

Informs them that Govt. have decided to reserve the block and not to issue a license in respect of it for the present as the tenders received have been found to be unacceptable

107) No. 825 D/20th Nov 1924 from the Dir of Geology to Govt

760 29.11.24

11 Nov

108) He decides as his Council meeting on the 15th Nov the Dir of Geology was written to demi-officially for an Expression of his opinion on the number of deputations an officer to examine the above manganese chrome blocks at the disposal of Govt report on their condition - on prospects of the quantity as well as his opinion of the

119) Dir Dir is [illegible] for reasons mentioned in his letter not in favor of deputing an officer to examine the block report on the quantity quality & their condition. He is also not in favor of the Govt undertaking the working of the chrome blocks. [illegible] wisdom that Govt should keep to private Enterprise

NOTE—Contn. Sheet

2711 (7)

Serial No.

if Govt decide on working the blocks on a commercial basis he suggests that the most promising manganese block may be selected & worked by Govt. Each block being placed under an officer (vide para 3 of the letter)

116) In view of the speculative nature of the business & the risks involved and also the dilapidated condition of the roads by the rains on a previous occasion, I am not in favour of the Govt undertaking the working of any of the blocks on a commercial scale at present at the same time it is very desirable that the available blocks - particularly the best & most promising ones among them - should be thoroughly examined with a view to ascertain their commercial contents in respect of quality as well as of quantity. The Jaipur engineer suggests that such an exploration work must be left to any particularly responsible agency as it will be impossible to estimate the quantity & quality of ore in each block with any measure of certainty, by means of a test pit or two placed here & there. I am not quite convinced the

NOTE—Contn. sheet.

G. R. S. III-2

General and Revenue Secretariat.

Geol File No. 87 of 19 22

48

Serial No.

DEWAN'S OFFICE,
RECD. ON 27. DEC. 1924
Reg. No. 47650

The investigation of the Chromite ores have so far been carried out by Mr Jagannatha Ramdas of the Geological Survey of India. (1) It is now the Geological Dept has been giving attention chiefly to Geological Survey & comparatively little attention has been given to the mineral survey of the State. I think this is due to the Department is made of their more attention given to mineral survey. In view of the encouragement mining activities in recent years (2) I would suggest Suggestion No 2 & the appointment of the Dept - one Sen & Venkatarama Iyer may be employed Study on mineral survey work and to give their attention to the manganese & chrome ores with a view to investigate them and contact in respect of quantity as well quality of Some of the 5000 may be placed at the disposal of this appointment for the work. An addl grant of Rs and any thing may be made to the Geological Dept for the purpose as there is reason to provide for reappropriation when the Sanctioned Budget from the Dept

Dewan

Jan
Sec
29.12.24

NOTE—Contn. sheet.

G. R. S. III-2.

27 11

General and Revenue Secretariat. | Final File No. 87 of 1923

Serial No.

113) I agree with the member. Orders may issue early in accordance with this minute. time limit should be fixed

PSO

Fin.

PSO 31/12/23 G.

and the work should be specified under name & management. Half a dozen blocks under each may be entrusted to start with after selection as the best according to present data

PSO

Fin

PSO 31/12/23

ID

31.12.23

114) For perusal - & in Consideration if the file is to be sent to the Finl Secy. vide last para of the member's minute dt 26/12

SNR

Rev Secy 115) Please put up the draft rule to the 2 ld Members Committee, after

SNR 2/1

2/1

NOTE—Contn. sheet.

General Revenue Secretariat. | Rev 2 File No. 87 of 19 23

Serial No.

116) Draft/extract
Rev.
3/11/25 — 5

117) Clean off please
SMR 6/1

118) Revised. submit a clean draft.
Rev
7/11/25

119) D D N & D/f for Cons: duration —
SMR
7/11

Rev Secy
120) Kms Referred to municipalities vide Secy's note to H.H dated 26.8.24 (Reg T). It appears necessary to submit the replies again to H.H. D D N & D/f for Cons: duration —
SMR 9/1

Rev Secy
121) I am draft the Govt — Govt post — ch — of the
Reg
SMR 9/1

122) Revised. submit a typed draft.
Rev
9.1.25

SMR
9/1.

Rev Secy 123 Draft for Cons: duration

First ... Reg has been ... Consulting A D/f has been ... but, in view of the ... urgency of the matter, the order may ... be issued now and the ... reference to H.H for ... information

Reg
SMR 10/1

H M 124) Draft ... It may be ... Govt for Govt ... before issue ... Govt has been a long ... and ... to Govt under the ...

125 10/1

NOTE—Contn. Sheet

Serial No. 1457

Final Sig wch Complete

Reg/1 SMR 12/1

125) The additional Grant proposed requires H.E.'s Sanction wch (2/1/25

MB (2/1

26) Better to submit for His Highness' sanction and then to issue the Order.

14 JAN 1925

127) Sanction to the II Mr — D.F.R. is placed on the file

Reg 14.1

225/15.1 II Mr

WB 16/1

128) Final note by the Members placed below —

MM 16/1 PC DFR Reg

129) DFR put up

Secy 14/1

DEWAN'S OFFICE
RECD. on 19. JAN. 1925
Reg. No. 5167

NOTE—Contn. Sheet

Final Note by the Second Member of Council 52

Subject:—

Deputation of two of the officers of the Geological Department for making a mineral survey. beginning with a few important manganese and chrome blocks in the first instance.

130) These papers relate to the disposal of applications received for prospecting licenses for chrome for the several blocks in the State in pursuance of the Govt. Order No. I.C.5146-57/Geol.73-23-1 dated 26th February 1924 relaxing the restrictions imposed in the Govt. Order No. I.C.4728-34/Geol. 47-22-8 dated 29th January 1923 on the exploitation of chrome, manganese and other minerals.

131) 2. In pursuance of the Govt. Order dated 26th February 1924 20 applications in respect of 17 chrome blocks were received, out of which 13 applications relating to 14 blocks were disposed of as noted in the statement at flag C, the remaining applications relating to 3 blocks in important areas like the Byrapur - Hullenahalli in the Chennarayapatna Taluk being reserved for further consideration.

132) 3. As there was very keen competition among the several applicants for the Byrapur block and the offers made individually were not good enough, Government in their notice No. I.C.1665/ Geol. 73-23-19 dated 5th September 1924 called for tenders from persons prepared to form Joint Stock Companies or Syndicates to mine chrome on this block subject to certain conditions. The applications received in response to this notice were found, on examination, to be unacceptable, and it was resolved in Council that the block should be reserved to Government for the present and the question of placing Mr. Sen on special duty for making a survey of minerals, especially manganese and chrome. in the blocks at the disposal of Government should be further investigated.

1339

4. After consulting the Director of Geology, I minuted as follows:-

"As decided at the Council meeting on the 13th November, the Director of Geology was written to demi-officially for an expression of his opinion in the matter of deputing an officer to examine the several manganese and chrome blocks at the disposal of Government and report on their condition in respect of - quantity as well as the quality of the ore.

"The Director is, for reasons mentioned in his letter dated 26th November 1924, not in favour of deputing an officer to examine the blocks and report on the quantity and quality of their contents. He is also not in favour of the Government undertaking the work of the blocks and considers that this should be given to private enterprises. But if Government decide on working the blocks on a commercial basis, he suggests that 3 of the most promising manganese blocks may be selected and worked by Government, each block being placed under an officer of the Department. (Vide page 3 of his letter.)

"In view of the speculative nature of the business and the risks involved and also other difficulties explained by me on a previous occasion, I am not in - favour of the Government undertaking the working of any of the blocks on a commercial scale at present. At the same time it is very desirable that the available blocks, particularly the best and most promising ones among them, should be thoroughly examined with a view to ascertain their possible contents in respect of quality as well as quantity. Mr. Jayaram considers that such an examination will not lead to any particularly useful result as it will be impossible to - estimate the quantity or quality of the ore in each

"block with any measure of certainty by making a test of it in some place now and then. I am not quite convinced that the investigation of the blocks will - prove so ~~useful~~ useless as Mr. Jayaram considers it will be.

"Till now the Geological Department has been giving attention chiefly to geological surveys and comparatively little attention has been given to the mineral survey of the State. I think that it is time that a departure is made and that more attention is given to mineral survey in view of the increased - mining activities in recent years.

"I would therefore suggest that two of the officers of the Department -Mr. Sen and Mr. Venkataramiah- may be employed solely on mineral survey work and asked to give their attention to the manganese and chrome blocks at the first instance with a view to investigate their ore contents in respect of quantity as well as quality. A sum of Rs.5,000 may be placed at the disposal of these officers for the work, an additional grant of this amount being made to the Geological Department for the purpose, as it cannot be provided by reappropriation within the sanctioned budget grant of the Department."

134) 5. The Dewan has expressed his agreement with my proposals, and minuted that six blocks each of manganese and chrome might be selected according to present data and the work started on them.

135) 6. A draft Government Order has accordingly been put up and it is submitted for the gracious approval of His Highness.

136) 7. In this connection, I may state that in response to the notification calling for applications for prospecting licenses for manganese on the terms specified in the Government Order - -

No. I.C.2480-91/Geol. 49-24-1 dated the 4th October 1924 relaxing the restrictions on the exploitation of manganese, some applications have been received and are separately under consideration.

SECOND MEMBER OF COUNCIL.

16-1-1925.

56

Submitted to His Highness.

---

137) I beg to submit herewith for His Highness' gracious approval a Final Note by the Second Member of Council on the subject of deputing two of the officers of the Geological Department for collecting information regarding the quality and quantity of manganese and chrome ores on certain blocks. This will help to collect data which may enable Government to come to a final decision on the question of Government themselves working the blocks. I am personally in favour of this as our efforts to secure non-official agencies and encourage private enterprise have so far not proved successful.

Bangalore,
19th January 1925.

C. Rangaji

19 " " 1925

CSR.

57

Confidential

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

136) Proposal to depute two officers of the Geological Department for collecting information regarding the quality and quantity of manganese and chrome ores on certain blocks.

467

Order.

139) ~~KRW~~
20/1/25

Rev seen

140) The draft order may be put up early BJ
Es
PSO

141) Draft is already in the file, but has been copied by 2nd hand. Fair copy may issue 21.1.25 KE 21/1

Dewan.

142) Fair copy

Le 98 Secl. 25.

Fair copy sent

22/1

2711 (58)

B193

General and Revenue Secretariat.

File No. 87 of 19 ? 3

Serial No.

H 1586/25

143) Refer to Secretary's note dt 12-1-1925 submitting draft & fair copies

Secy 27-1-25

144) Sheet can be noted for inclusion in the list of items to be placed before the R.C. at its next session.

Secy 27/1/25

Secy Rlwys 27-1-25

145) To the Comptroller H 4306 dated 27 1/25

22 To

The Director of Geology & Comptroller Fuel Scott.

Ref R.C. 5063-4 of 27 Idem

Direct the deputation of Messrs Ry. Venkatasamaiah for collecting fuller details about the Reserve blocks available in the field for disposal and field that the Govt. will have half a dozen of the best & most promising Chrome blocks including the Byrapur Hallemahalli Block and the equal no. of Manganese blocks shown to be selected for Exploitation & the work to be commenced at once & arranged to be completed within 3 months & orders the placing of a Govt. Officer on the Govt. at the disposal

NOTE—Contn. Sheet

GEN. & REV. SECRETARIAT
11 FEB 1925
INDUSTRIES & COMMERCE BRANCH.

Ff 8-87-23-1

No. 1766 Encls 5

Dated, Bangalore, 14th August 1924.

Dno 4461-14

GEN. & REV. SECRETARIAT
15 APR 1924
INDUSTRIES & COMMERCE
BRANCH.

From

A. M. SEN, Esq., M.Sc., F.G.S., Etc.,
Offg. Director, Mysore Geological Department.

To

K. V. Anantaraman, Esquire, B.A.,
Offg. Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department.

Sir,

I have the honour to submit herewith a list of the applications received for the Bairapur - Hullenhalli Chrome Block in the Chennaroyapatna Taluk with a sketch plan showing the areas as applied for by each of them.

2. There are four applicants for this Block under the new rules (1) Messrs. Mysore Chromite Ltd., (2) Manickavelu Mudaliar & Son (3) Mr.C. Garudachar and (4). Mr.B. Rangappa.

3. The first two claim that their applications for this particular Block are pending from 1919 and 1922 respectively. Mr. Rangappa is the last to apply for the block and he says that his first application for this area was dated 2nd February 1918 and he now renews his application. While Mr.Garudachar is a new applicant and so far does not hold any license in the State.

4. History of the Prospecting License for the Bairapur area:- Government in their order No.G.11726/Genl.8217-5, dated Bangalore, 23rd February 1918, ordered that Messrs. Oakley Bowden & Co. may be granted a temporary license, over an area of one square mile of land in the villages of Bairapur, Hallenhalli & Chokkanhalli in Chennarayapatna Taluk, for one year only as a special case in consideration of the fact that the area was to be worked purely for the Board of Munitions for the supply of war materials, subject to the condition

condition that they should waive their claim to a Mining Lease and that any chrome in excess of the quantity contracted for such supply should be placed, if need be, at the disposal of Government who should have the first refusal.

Government also ordered that the request of Mr.Sundaramurti Mudaliar, now belonging to the firm of Messrs.Manickavelu Mudaliar & Son could not be entertained for reasons stated in the order.

In this office letter No.908, dated 4th/5th December 1922, it was brought to the notice of Government that a series of irregularities were committed by Messrs. Oakley,Bowden & Co amounting to a breach of the conditions of the license granted to them in the above Government Order.

In their Order No.I.C.4-5/Geol.27-22-8, dated 2nd July 1923, after giving due consideration to all the requests of the Company, submitted from time to time, and in view of the fact that the Company had incurred heavy expenditure in working the area,Government were pleased, as a special case,order that the ore already won and still on the block may be removed by them within a period of one year, subject to the payment of royalty on the whole quantity in advance. As chrome was reserved exclusively to Government and as the prospecting license was granted on the distinct understanding that no renewal of the prospecting license or Mining Lease would be given to them, Government could not grant them any prospecting license or mining lease. The Company accepted the order claiming a right for further appeal to Government against the order.

The whole stock of ore was checked by Mr.V.T.Venugopal, Sub Assistant Geologist, and the quantity in stock was taken as 11000 tons (approx) and accepted by Mr.C.B.Oakley on behalf of the Company on 17th November 1923. The royalty payable at Rs.1-8-0 per ton on this quantity amounted to Rs.16500/-; and the additional roaylty at twelve annas per ton on the ore removed previously amounted to Rs.10427-4-0. The total amount

of.

of Rs.26927-4-0 having been paid by the Company on 2nd February 1924, permission for the removal of the ore in stock was duly issued. So under the Government Order, the Company have time up to 2nd July 1924 to remove the ores from this Block.

5. Now since the reservation of Chrome has been rescinded, the Company has again pressed forward their claim for a prospecting license over the same area under the conditions of the new order.

6 Of the other three rival applicants for the area, Messrs. V. Manickavelu Mudaliar & Son have urged that they already applied for the area in June 1922 and owing to the proximity of this area to his Bhaktarhalli Mining Block No.158 and for other reasons stated, his claim for the area should be given the preference.

(a) In this office letter No.90, dated 19th July 1922, a recommendation was made to Government by Mr.Jayaram that a Mining Lease may be granted to them over the Hullenhalli Block on the withdrawal of the reservation of minerals and mineral areas as suggested by the Economic Development Board.

(b) I however beg to submit that I do not quite agree with all that Mr.Jayaram has said in this letter regarding the merits or demerits of the two rival applicants for the Hullenhalli Area - Messrs. Manickavelu Mudaliar & Son and the Mysore Chromite Ltd.

(c) It seems however necessary to review all that has happened between the date of that letter and the present day, so that we may consider carefully if the original recommendation should still hold good.

7 Government in their order of 23rd February 1918, stated that Mr.Sundaramurti's application for the Hullenhalli Block could not be entertained on the grounds mentioned by him; there was only one valid application of Messrs. Oakley, Bowden & Co., who were granted the temporary license on conditions as already stated. The explanations offered by Messrs. Oakley, Bowden & Co.,

for the irregularities committed by them amounting to a breach of the conditions of the prospecting license were not considered satisfactory by the Government, nor did they exonerate the Company from their strict responsibility to fulfil all the conditions of the license. Government however imposed a high rate of royalty in the way of penalty and this has been paid by the Company in advance.

So it seems to me that with this infliction of punishment Government intend to close up the case against the Company.

8 The appended statements show the quantities of chrome ore collected, and removed up to end of December 1923 and the royalty paid by ~~the~~ (1) Mysore Chromite Ltd.,(2) Oakley,Bowden & Co., who are the Managing Agents of the other Company. All these Companies so far hold 3 mining leases for Chrome Ore -

(i) The Shinduvalli Mine - Mysore Chromite Ltd.

(ii) Chikkattur " - Oakley,Bowden & Co.

(iii) Pensamudra " - Mysore Chromite Ltd.

and Messrs. Oakley,Duncan & Co., have recently applied for Mining Lease for chrome near Sunkadahalli in Arsikere Taluk.

Messrs. V. Manickavelu Mudaliar & Son whose returns are also shown in the statement, hold 3 mining leases for chrome ore in the Channarayapatna Taluk namely (i) Bhaktarhalli Mine,(ii) Chikkonhalli and (iii) Jambur Mine.

As far as I can make out from the statements, Messrs. V. Manickavelu Mudaliar & Son have been selling the ores at the pits' mouth, mostly, where they have been purchased by Messrs. Oakley,Bowden & Co., Oakley,Duncan & Co., Mysore Minerals Ltd., (of which Oakley Bowden & Co., are the principal ~~partice~~ nurs) and a few others. These purchasers have been selling the ores in places outside India, chiefly in Europe and America where they have created and found a market for the Mysore Chrome Ores, low in grade as far as 40 %.

Thus it is seen that both the Companies already hold

63

3 Chrome Mines each in the State.

9. It is suggested that as the Hulenhalli Block adjoins the the Bhaktarhalli Block, it can be more satisfactorily and economically worked by Messrs.V. Manickavelu Mudaliar & Son who hold the adjacent Bhaktarhalli and Chikkonhalli Blocks than by any body else. It has also been said that the grant of the Hullenhalli Block to any other party may likely create unhealthy competition but nothing has been said about the unhealthy monopoly that may be created by giving all the chrome blocks in the same area to one party. Competition which has been described as unhealthy - probably to the interested party - is always desirable in all industries to bring about improvement and progress; otherwise monopoly throttles all competition and other interested members of the industrial public lose all interest in such competition. I do not consider that the grant of a license over this block to any other party would seriously affect the chrome mining industry in the three blocks of Messrs.V.Manickavelu Mudaliar & Son; but on the other hand the grant of this block to this Company would create an unhealthy monopoly in this area of the Hassan District.

Moreover this Company is at present devoting most of its attention to the Bhaktarhalli Block; and on my recent inspection of the areas at Mining Leases 160 & 159 at Jambur and Chikkonhalli, I found he has not done enough work to justify the grant of another area to him in addition to the three blocks he already holds.

10 The grounds in favour of Messrs.Oakley,Bowden & Co.,for the Hullenhalli Block are as they held a temporary prospecting license for one year, they have incurred heavy expenditure in opening out the cart tracks to the Tiptur Railway Station, constructing camp quarters on the block for the officials employed by the Company; they also hold surface rights for a part of the Block extending over about 50 acres of land where the mine is principally located and they have located the reefs and ore bodies and have already done good amount of mining work in the Block and a quantity of ore is still stacked in the area. This is now being sorted and stacked before

being

being removed out of the block.

11 Messrs.V. Manickavelu Mudaliar & Son's interests in this Block lie in the fact that it is adjacent to his other Mining Blocks, as already pointed, where he is working, although they hold surface rights over a small portion of the block outside the limits of the existing workings.

12 The other applicant, Mr.Garudachar, has recently been sanctioned a certificate of approval. He has been strongly recommended by the Amildar of the Bangalore Taluk, Mr.Donne. He comes from a respectable Mysore family and is connected with the Mysore Clay Works Ltd., who hold prospecting license in the State for two areas. I have seen him in my office and he appears to be an earnest, energetic educated young man who intends to do some thing tangible in the mining profession. He is almost new to the Department and we do not know yet any thing about his mining capabilities.

13 The next applicant for this particular block is Mr.B. Rangappa, a merchant of the Bangalore City, who has submitted his application on 22nd March 1924, together with a copy of a Memorial, the original of which he has submitted to the Dewan and a copy to the 2nd Member of the Council. He bases his claim for this block on an application made by him on 2nd February 1918 and which was subsequently rejected by Government in their order No.G. 11726/Gen 8217-5 dated 23rd February 1918 - on the grounds stated therein. There appears no necessity to open the question again at such a distant date when the order was already passed by Government on the matter.

I am of opinion that this application should be treated as a fresh one. If Mr. Rangappa was so much interested in this Block, it is not easy to understand why he took such a long time for submitting his present application, i.e. about a month after the order of reservation was withdrawn, neither did he seem to take any interest in the area from the date of expiry of the temporary prospecting license granted to Messrs.Oakley,Bowden & Co.

up

65

up to the date of this application. In 1918 Mr.Rangappa was considered an agent of Mr.V.Sundaramurthy Mudaliar who subsequently merged into Messrs. V. Manickavelu Mudaliar & Son; - when and how this was affected I am not aware of. Now he says this firm has ceased to be his partner, while he is jointly working with Messrs. C.B. Desai & T.Lakshmaia Setty of Bangalore City in buying chrome ores from Messrs. V. Manickavelu Mudaliar & Son at pits' mouth of the Bhaktarhalli mines and selling them to Continental consumers. He also says it is contemplated - by whom, it is not mentioned - to open a tram railway line between Hullenhalli-Bairapur Block and Tiptur Railway Station, while a similar suggestion is also made by Messrs.V. Manickavelu Mudaliar & Son.

Taking all these points into consideration, I am inclined to think that Mr.Rangappa is not acting independently; and he now says in a letter, dated 14th April 1924, that one Mr.Singeri Nanjappa would come forward to help him with capital. Copies of these letters are attached herewith.

Although Mr.Rangappa holds a certificate of approval which was granted to him 3 years back in 1921 and has been renewed now under the rules as he paid the renewal fee in due time, I do not know any thing of his own financial conditions or his mining capabilities except what he has stated in the annexed letter. Although he had been holding a certificate of approval for 3 years, he has not shown any satisfactory evidence for independent mining work in the State. His experience as stated is only in dealing with chrome ores, in their buying and selling but not in mining them. He may get financial help from this capitalist but to what extent and under what conditions, I am not in a position to make out.

Under the circumstances I do not consider he himself is a deserving person for the concession and I cannot recommend his present claim for the favourable consideration of Government.

14 As it stands at present, Messrs.Oakley,Bowden & Co., have been permitted by Government to remove all the ores won and

mined

mined in this Block during the temporary prospecting license by 2nd July 1923. So long as this removal is not completed by the time fixed up by Government, I do not consider it would be advisable to grant this block to any party, as this might lead to troubles and friction between the parties, and difficulties would arise as to the disposal of the ores &c. under the new condition.

15 So I beg to recommend that under all the circumstances as represented above this block may be reserved to Government until the ores lying in the block, already won by Messrs.Oakley,Bowden & Co., have been removed by 2nd July 1924 or to such other date to be fixed up by Government in due course, after which the question of granting prospecting license for this block under the new rules may be taken up again for consideration and sanction.

16. If the Government have, by their order No.I.C.4-5/Geol. 27-21-8, of 2nd July 1923, condoned the irregularities committed by Messrs. Oakley,Bowden & Co., of the Mysore Chromite Ltd., while holding the temporary license over Hullenhalli Bairapur Block,then owing to the heavy expenditure already incurred by this Company over this Block and for other reasons stated before, I consider they appear to have the best claim for this area. If however the Government are not willing to condone the offence even after the infliction of punishment, then their claim for this area should be rejected.

17. I am not in favour of recommending the claim of Messrs. V. Manickavelu Mudaliar & Son for this block chiefly to prevent the creation of a monopoly in this area, as he already holds 3 mining leases in the neighbourhood, which are not yet developed properly to the full extent.

18 I have already expressed my opinion about Mr.Rangappa's application which I do not recommend.

19. If the application of the Mysore Chromite Ltd., is rejected by Government, I would then bring forward for their

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favourable consideration the claim of Mr.C.M.Garudachar for the area who might be given a chance to prove his industrial and mining capabilities independent of the other rival competitiors in this arena.

I have the honour to be,
Sir,
Your most obedient servant,

Offg.Director,
Mysore Geological Department.

C.N.

List of applications received for the Byrapur - Hullenhalli Chrome block

Sl. No	Name of applicant	Date of application	No. of valid approval Certificate	Particulars of the block	Remarks
1	Cm. Ganeshaiah Esq Son of Cm. Vijaya-raghavachariar Esq, Retd. Inspector of Schools.	29.2.24	No 66 dy 6.4.24	4 Square miles It is in conformity with the Rules.	
2	Mysore Chromite Ltd.	29 2 24	No 62 dy 12.3.24	2½ The Shape of the block is not in conformity with the rules.	
3	V. Ramachandra Rao Esq	4.3.24	No 64 dy 26.3.24	About 1 Sq m. For a Mining Lease.	This application cannot be entertained as under condition (1) of G.O. No P.C. 5766-57/Rev. B-22-1, dy 26.2.24, only Prospecting licenses can be granted without the right to a lease The merits of the application however have been discussed in the letter.
4	B. Ramappa Esq.	22.3.24.	No 29 dy 4.10.21 Renewed for the years 1922, 1923 & 1924.	About 1 Sq m.	

Note:- Applications from the above are made in the prescribed form accompanied by fees in accordance with the Rules.

A. M. Sen
Dy. Director
Mysore Geological Dept
12.4.1924

Statement showing the quantities of Chrome ore worked by the Oakley Companies and Mr V Manickavelu Mudaliar since the beginning

No. of P.L. or H.L.	Name of block	Period	Quantity of ore obtained	Quantity of ore removed	Royalty paid	
Mysore Chromite Co. & Oakley Bowden & Co						
42.147.	Shinduvalli block	1917 to 1923.	11041	9367	7068	12 6
P.L. 387 and H.L. 156.	Pensanmdra block	do	16142	11147	11146	5 11
P.L. 374	Nachanhall	1917 to 19.	885	257	192	12 -
P.L. 473	Byrapura block.	1918-19	29133	10140	7608	2 5 -
P.L. 402 & 403		do	65	-	-	- -
P.L. 463 & H.L. 155.	Chikkallur block	1917 to 1922.	595	475	297	- -
	Grand Total		57,861	31,386	26,310	0 10
Mr V. Manickavelu Mdr.						
P.L. 441 & H.L. 158	Bhaktarhalli block	1916 to 1923.	58,532	51992	37382	14 3
H.L. 157	Chikkanhalli	1923 to 1923	900	-	-	
24.416 P.L. 160	Ganibur	1918 to 1923	5150	-	-	
P.L. 443		1916-17	600	-	-	
P.L. 451		1916-19	415	362	271	9 10
P.L. 402 & 403		1916-18	1751	1730	1298	3 11
	Grand Total		67,348	54,084	38952	12

Are sent to Messrs Oakley Bowden & Co + Messrs Oakley Duncan Hoy's treasury; Less Granted Rs 6 Mrs. Calmeir B. Davis.

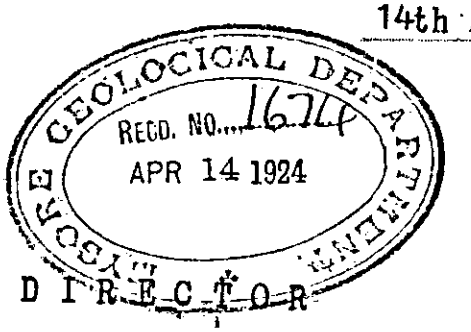
Bangalore
12th April 1924

N. H. Lewis
Offg. Director
Mysore Geological

70

B. RANGAPPA,
MERCHANT AND PROSPECTOR.

14th April 192 4.



To

Th e D I R E C T O R

Department Of Geology,

Bangalore City.

Sir,

I beg leave to submit this supplimental petition in continuation of the one submitted by me on 22nd March, 1924, with regard to my claim of priority for Byrapur Chrome Block in the Channarayapatna Taluq.

I am a holder of the certificate of approval since the year 1921, and the same has been renewed year after year. I have been exploring and prospecting since the year 1913 along with Mr. V.Manickavelu Mudaliar in the marginally mentioned areas. I was actually working the Bhaktrahalli Chrome Mines in conjunction with Mr. V.Manickavelu Mudaliar and this is evidenced in the records of your office. I was a share-holder in the Mysore Minerals Ltd., and when for certain reasons I severed my connection with the above mining concern I was profitted to the extent of ₹10,000/- . I have already submitted in my previous petition that I hold 4 as share in the Tonam Mines, Vyzagapatam Agency area and now I am a partner in the Manganese concern along with one Mr. T.L.Chetty. It need not be stated that the possession of an approval certificate carries with it the assurance that the holder of such certificate for a number of years is not a layman and has also the capacity to carry on the mining work.

I beg to submit that I have been able to secure as my financial partner one Mr. Singri Nanjappa who is the Director of the Bank of Mysore Ltd., Director of Krishnarajendra Mills Ltd., Member of the Representative Assembly , Land Lord and an influential merchant of Chikkanr Tiptur. He is a gentleman who is paying to the Government an income tax of over ₹500/- and land tax over ₹1000/ annually. He has business concerns in Bangalore City as well as Tiptur. He is an Inamdar in the Mysore District. He has signified his acceptance to be my partner in the mining concerns. I enclose his letter as well in support of my statement. I had to prefer this gentleman as my partner as he with his position and influence and financial stability could easily form a syndicate if need be

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B. RANGAPPA,
MERCHANT AND PROSPECTOR.

16th April 1924.

be and all that is necessary to make the mining ~~x~~concern a success. I am prepared to abide by all the reasonable conditions and sugge~~x~~tions which the Government may be pleased to enforce.

I have at length ~~layed~~ laid before the Government in my previous petition in the peculiar circumstances under which my application for Byrapur Block was treated by the authorities and how to substantiate my case I was under the painful necessity of exposing certain irregularities that were allowed to creep in. While I have nothing against any particular Officer truth has to be stated for clearing my case. If the Government is pleased to look into the records of my case, as I trust they will surely scrutinize every statement made~~x~~ by me, is really the truth. My application for Byrapur Block is in the accepted form and is the first in the field. Mr. Oakely taking advantage of ~~f~~ certain official facilities tries to get an undue advantage over me. Anxious to establish my right of priority for the blocking question I seek the help of my then partner Mr. V.Manickavelu Mudaliar and at once to my surprise and joy my right for the said block was revived but the Government rejected to accept the transfer of my rights to a third party, and this has saved my position. The great war intervenes and the Government to meet the emergency issues a "Temporary License" for one year to Mr. Oakely for Messrs Oakley Bowden Company on the distinct understanding that they can-not claim anything further. Immediately after this~~x~~ Chrome areas in the Province are reserved. Now the Government is pleased to remove the ~~x~~reservation and I resubmit my claim for the Byrapur Chrome Block. I can-not possibly conceive how the Government can over-look the claims of the applicants who have been in the field prior to the period of reservation. It is submitted that it will be unreasonable, and against ~~x~~ equity and indeed a great hardship to those who have been pressing their claims if the Government take into consideration only the applications which have come soon after the removal of the reservation. It may be respectfully stated here that these applicants have neither been the first to explore the areas in question nor ~~or~~ are they the first applicants.

Surely the Government is not going to ignore the trouble the anxiexty and expense to which the previous applicants have~~x~~ been put to and are still suffering?

I pray that the Government will be pleased without overlooking the fact that my application has been pending disposal ~~—~~ since 1918, for obvious reasons, will establish my right for Byrapur block and do me even-handed justice. This will surely vindicate the Government reputation for fair play and justice.

B. RANGAPPA,
MERCHANT AND PROSPECTOR.

14th April 1924.

justice.

I beg to remain

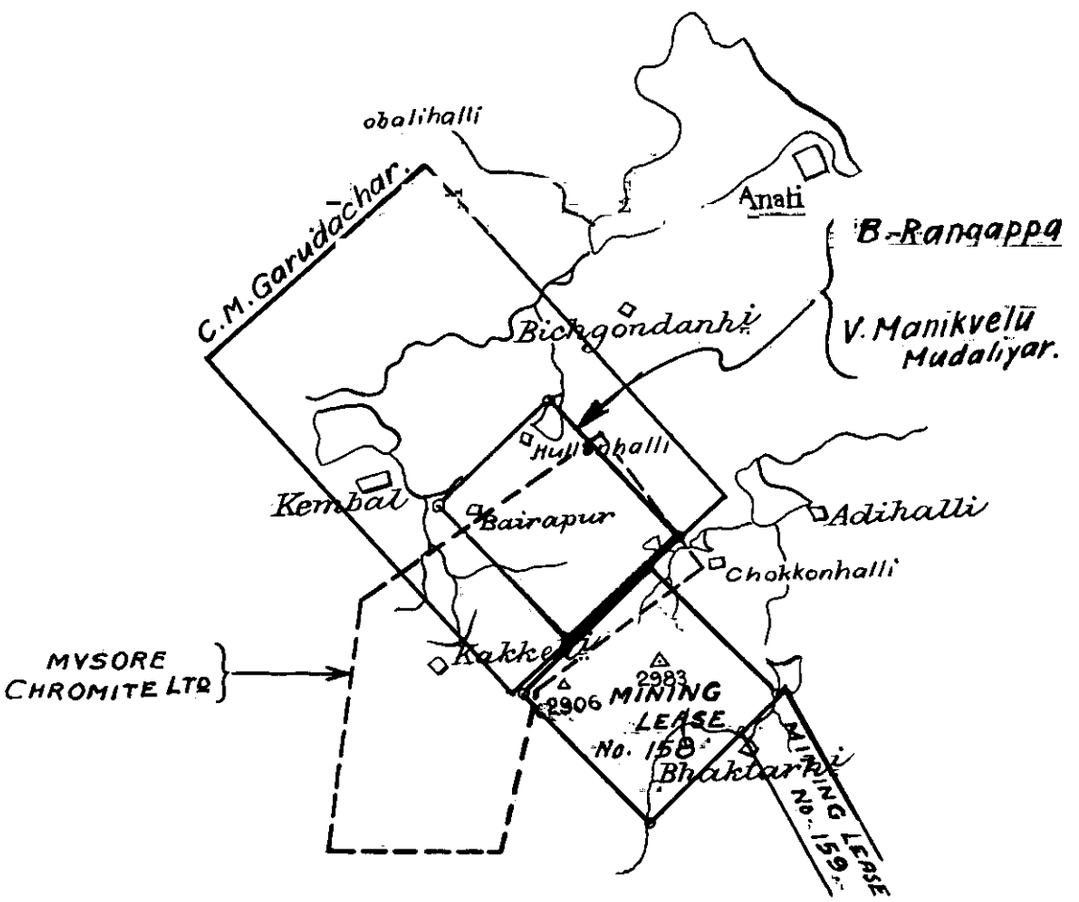
Sir,

Your Most Obedient Servant,

B. Rangappa

Copy may be forwarded to Govt.

14-4-24



Scale 1 = 1 mile.

A. M. Sen
OFFG DIRECTOR,
GEOL. DEPT.

24

Tel.: "SINGRI" Branch: BANGALORE CITY

SINGRI NANJAPPA LINGAPPA

GENERAL MERCHANTS & COMMISSION AGENTS

TIPTUR

No. _____ Dated 14th April, 1924

GEOLOGICAL DEPARTMENT
RECD. NO. 1675
APR 14 1924

To
The Director.
Department of Geology,
Bangalore City.

Sir,

Mr. B. Rangappa Chetty Merchant and Explorer has approached me with a request to be his financial partner in mining. He informs me that he is an applicant for the Byrapur Block in the Channarayapatna Taluq and he is praying the Government to consider his right and do him justice. I hereby signify my willingness to finance him and make the mining work a success. I have myself applied for a certificate of approval as I am interested in mining work.

I may be per-mitted to state with regard to my position that I am a Director of the Bank of Mysore Ltd., Director of the Krishnarajendra Mills Ltd., Member of the Representative Assembly, Member of the Dist. Board Tumkur, Member of Chamber of Commerce and an Inamdar in the Mysore District. I pay an Income Tax of over Rs500/- and Government Kisth of over Rs1000/- annually.

I beg to remain,
Sir,
Your most obedient servant,

Srangappa

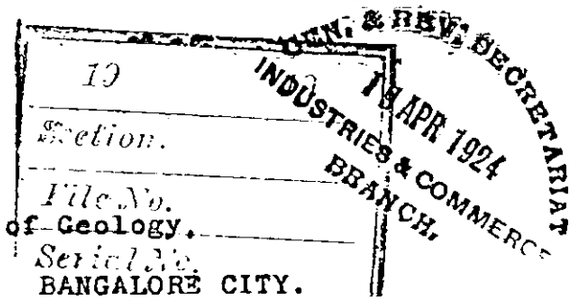
14-4-24

75

B. RANGAPPA,
MERCHANT AND PROSPECTOR.

Bangalore City,
19th April, 1924

ENTRY NO 4568



T O

THE DIRECTOR,
Department of Geology,
BANGALORE CITY.

S i r,

In continuation of my petition dated 14th April 1924 with regard to my claim for the Byrapore Chrome Block, I respectfully beg to submit extracts from the -- statements of Messrs. V. Manickavelu Mudaliar & C.B.Oakley made on Oath before the City Magistrate Bangalore City -- in C.C. No:413 of 21-22, which clearly proves that I was a partner and conducting mining operations along with Mr. Mudaliar and that I was working in Mysore Minerals Ltd., as the Manager and also a Shareholder in the said concern.

I have applied for certified copies of the statements in question and will be submitted in the Course of the week. The enclosed statements will themselves prove my vast experience in the mining line. I trust this fact will kindly be noted by the Government in deciding the merits of my case.

(True copy)

I beg to remain,
S i r,
Your most obedient servant,
(Sd) B. Rangappa
3/185, Akkipet,
Bangalore City.

True copy submitted to the Revenue Secretary to the Govt of H.H. Maharaja's Mysore by me
B. Rangappa

EXTRACT from the Deposition of Mr. V. Manickyavelu Modaliar, 1st Witness for Prosecution, on affirmation on the 19th day of January 1923 in C.C. No:413 (De novo Trial) of 21-22.

XXXXXXX

"I had a partner by name Rangappa in my mines' work."

XXXXXXX

Read over, interpreted and admitted to be correct.

Before me,

Sd/- B.T. Kesaviengar,

6.M. 6-2-23.

EXTRACT from Exhibit P.22 in C.C.No:413 of 21-22 in City Magistrate's Court, Bangalore City.

XXXXXXXXX

"We are instructed on behalf of our clients Papammal, Nagarathpet, Bangalore City, and her son Shanker Narayan -- Chetty, holders, respectively of fully paid up 30 shares -- (No:217 to No:246 inclusive) and to 20 shares No:251 to 270 inclusive) in Mysore Minerals Limited."

NOTE. (Papammal is the wife of and Sankernarain is the son of B. Rangappa).

EXTRACT from Exhibit P.33 in C.C.No:413 of 21-22 in City Magistrate's Court, Bangalore City.

"We are in receipt of your letters of the 17th instant and as desired have remitted to Rangappa Rs.200/- We are also advising him that from the 15th August all expenditure will be on your account. Kindly confirm this to him also, and ask him to adjust his accounts accordingly.

EXTRACT from Exhibit P.35 in C.C. No:413 to 21-22 in the City Magistrate's Court Bangalore City

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"We are in receipt of your telegram asking for Rs.6,000/- on account of Tiptoor, also Rangappa's pay from 22nd June to 15th August. We agree the 30 waggons sent to Bombay but have only advices of 24 to Madras. We note you have 300 tons at station. We have paid you Rs.5,500/- on account, and this would make approximately Rs.4,500/-, We are therefore sending you one cheque for Rs.1,000/- one cheque for Rs.2,000/- and another for Rs.3,000/- together with one made out in the name of Rangappa. Please obtain his receipt in full settlement of all claims against the Mysore Minerals.

"TRUE EXTRACT"

B Rangappa

The Byrapura Hubbanuddi Block

	Directors.	Proportion of Shares held.	other particulars	Remarks.
	1. Rev. F. H. Oakley		1. Ten lakhs to be issued in fully paid-up shares & the balance for subscription in the State.	
	2 " F. H. Bowden	25%		
	3 " G. Lorenzo.			
	4. } Indian gentlemen		2. They agree to erect a plant for the improvement of the high grade ore.	
	5. } to be nominated			
	6. } by Govt.		3. to place all their connections both in India & abroad so that the bulk of the ores produced in Mysore may have a larger sale.	
			4 " to hand over their two existing leases & in case the Byrapura areas is given to ~~pay~~ five 25% of the interest in the leases they already hold	
	1. Rev. Lingam Nanjappa			
	2. " K. Nallakappa	30%	1. Directors to receive a remuneration of not more than Rs. 25/- for ~~every~~ meeting in addition to Travelling expenses if any.	
	3 " T. Papanna Naidu	with		
	4 ~~B. Ahmed Sait~~	other		
	5 " T. M. Ramaiya Chetty	persons under the Rules	2. Remuneration will be an allowance of Rs. 500/- p. m. or such other sums which the Directors may determine & a Commission of 15% of nett earnings of	
	6 " R. B. B. Venkatasawmy Naidu			

Applications to Issue Chronicle

Name of applicant	Area	Share Capital	No. of Shares	Promoters	Manag. Agent
Messrs: Mysore Chronicle, Ltd.	7/8 Sq. mile (area covered by the old P.L. No. 473)	Rs. 15,00,000/-	Shares of Rs. 10/- each.	Messrs: Oakley Bowden & Co. Partners. 1. Mr. F. H. Oakley 2 " F. H. Bowden.	Messrs: Oa Bowde
Sujni Nanjappa + ~~K. Nebbakallappa~~	2 Sq. miles	" 2,00,000/- - Issued Rs. 1,00,000/-	20,000 Shares of Rs. 10/- each	Mr. Sujni Nanjappa + ~~K. Nebbakallappa~~	Messrs: S Nanj ~~K. Neb~~ K. Nel

Name of applicant	Area	Share Capital	No. of shares	Promoters	Man Afe
2 Smt. J. Lakshmanaya Setty & C. B. Desai.	Not furnished	Not a joint ---- Rs. 25,000/-	favour block Company & they are willing to deposit with Govt	of forming a	

ging &	Directors	Prospectus	Other particulars	Remarks
	In case their proposal meets with the appl. of Govt. the Directors for the proposed Co. will be 1. Diwan Bahadur G. C. Doss of Madras 2. Mr. R. N. Callianjee 3. " Nemchand Valchand 4. " Ellemmasamy Mudaliar 5. " C. B. Desai 6. " T. Lakshmaiya Setty 7. " S. P. Haribhagavandas, Bankers, Shikarpur (Bangalore).	Rs. 5/- per Share	* With reference to their original proposals contained in their letter dt. 1.5.24 (Flag D) & their present alternative proposal they state that :- (1) Govt. should give them a lease for 10 years 2) Govt. should assure them free possession of property without any claim of superior rights or encumbrance 3) They invest their own capital and will charge interest on the investment @ 9% per annum 4) They will mine the ore under the supervision of the officer deputed by Govt. 5) They will maintain accounts in the forms approved by Govt 6) They will sell the ore at the best market-rate with Govt. sanction & that after deducting the charges, expenditure, interest @ 5% Rs. 5/- per ton as their commission the surplus profits will be handed over to Govt.	This is not practicable I.

SM 2/6

of	Directors	Priority	other particulars	Remarks.
ked for in the sheet			1. They state that they being the first applicants for the block may be granted to them under the usual rules as they hold the surface rights as may favour 2. preferential rights over the Chunnarage Taluk & the scheme of tramways or railways over the area mentioned 3. ~~In Course~~ that Chrome Industry for the ultimate success of Bloodstone Iron Works may be encouraged to work. 4. to refer the question to a suitable Board of Competent men for discussion & consideration & determination, to Govt. suitable persons under them of the Board 5. that in case Govt are not prepared to grant them the present blocks they are prepared to offer for them their present blocks Chrome ore at would be buyers wholesale quality Rs. 57/- per ton less than the market rate minus transport charges.	

Name of Applicant	Area	Share Capital	No. of Shares	Remarks	Name Agen
Messrs. V. Manickavelu Mudaliar & Son.		No information either from the Govt. Gazette of 5/9/24, has been fu			
		on the other hand certain proposal			
		development plan by some Municipal			
		have been made.			

up	Directors	Prospectus	other particulars	Remarks

states that :-

(1) it is necessary that a systematic and detailed prospecting ought to be first conducted before he could undertake to recommend others to invest his capital in a business which is of a highly speculative nature

that he would indeed capitalists to join the formation of a Syndicate in case the efforts of prospecting work prove to be encouraging & beneficial,

3) that Mr. R. Vyasarao would help him in Geological work; & Mr. C. M. Vijayaraghavan clerk in Chemical analytical work, and that one firm of lawyers is willing to accept the analysis if he should make a contract for the publicity thereof

4) ~~that for~~ proposals details of share capital &c. can be furnished case the prospecting work proves ~~to be~~ fruitful.

~~a suitable instance~~

~~of a~~ ~~Chemical~~ ~~Chemical~~ ~~Mr~~ Venkatachala Iyengar &c. to form the Syndicate

5) he agrees to the terms mentioned in the relation,

he agrees to pay 25 % of the net profits

SMS

Name of applicant	Date	Share Capital	No. of Shares	Promoters	Name Addr
1. Mr. C. M. Gamadia Chair					

82

32720

M, G. D. 12.

No. 1779 Dated, Bangalore, 17th April 1924.

4548

GEN. & REV. SECRETARIAT
17 APR 1924
INDUSTRIES & COMMERCE BRANCH

From

A. M. SEN, ESQ., M.Sc., F.G.S. &c.,
Offg. Director, Mysore Geological Department

87-21
2

GEN. & REV. SECRETARIAT
Br. 92C
17 APR 1924
D. SECTION

To

V. Anantaraman, Esquire, B.A.,
Offg. Secretary to the Government of
His Highness the Maharaja of Mysore
Revenue Department.

SIR,

In continuation of this office letter No. 1766 dated 14-4-1924, submitting for the orders of Government a list of applications for Chrome Ore received for the Byrapur Hullenhalli area in the Channarayapatna Taluk, I have the honour to forward herewith for the consideration of Government a copy of letter No.0.986, dated 3rd April 1924, from Messrs. Oakley, Bowden & Co., in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

A. M. Sen

Offg. Director,
Mysore Geological Department.

C.N.

Letter No. O.986 dated 3rd April 1924, from Oakley Bowden and Co., Managing Agents, Mysore Chromite, Ltd., to the Director of Mysore Geological Department.

Bairapur E.P/L 473.

Sir,

With reference to the Government order of the 2nd of July 1923, we write to say that we are preparing our formal statement of our case to lay before the Government and the same is now being placed before the Directors for consideration. The writer saw the Dewan in this connection and in connection with his letter of the 19th March and the latter informed him that our case would be considered on its own merits. The writer also interviewed the Member in charge of the Geological portfolio, who stated that he would be glad to consider any representations we made in connection with this matter through the Director of the Geological Department. Pending the formal submission of our petition of in case the matter should come up for disposal, we trust that you will be good enough to permit us to state our case which is briefly as follows:-

The proposal contained in our letter of the 26th March 1923, whereby our firm were to pay double royalty with retrospective effect, and to have the right of a mining lease over area, which arrangement was the result of a conference between the Member then in charge of the Geological portfolio and Mr. C.B.Oakley, on being submitted to the Council, they agreed to accept the double royalty but refused to confirm the condition regarding the mining lease: we have paid in some Rs.28,927/4 of which Rs.18,677/4 is in the nature of a penalty for not having obtained the permission of Government to sell the same in the open market on expiry of the license and when the ore with permission was stacked on the ground The Director of the Geological Department then informed us that whether we were justified

or erred in thus disposing of the ore, in view of the default of the Munition contractors and in the light of the surrounding conditions of our license, was the only issue between Government and ourselves. The Member then in charge was of opinion that had we referred the matter to them, it is extremely probable that Government would have given their consent to our request. And the removal of the reservation on chrome supports this view and rather goes to show neither then nor at present, have Government any need for the ore in question, and that the enhancement of the royalty without the right to a mining lease is a heavy penalty hardly fitting the case.

We therefore request that Government will see fit to grant us the third condition under which we offered to pay the enhanced royalty, in our letter of the 26th March 1923, which was one of the conditions, we submit, laid down at the time of the conferance between the Member in charge of the Geological portfolio and ourselves on the 20th March 1923.

We would also ask that in order that the Company may obtain some sort of continuity in connection with the proposed workings, that the duration of the lease may be for ten years.

We hope that should the matter come up for consideration, that Government will consider our claims in connection with the area. Our grounds for claiming preferential treatment are:

1. We were the original prospectors of the area and the discoverers of the marketability of the chrome of that area.
2. Ours was held to be the prior and only valid application for a Prospecting License over the area in 1918.
3. The normal rights of the prospectors were with-held on account of the chrome reservation by Government and we were only granted a year's prospecting license with no further rights.
4. We are the owners of the surface rights by

85

right of purchase and having been in possession of it for the last five years, we understand, we are entitled to first refusal of mineral rights.

5. We have erected buildings, and conducted agricultural operations thereon, as well as building a minor tank.

6. In opening up the mine, we have removed large quantities of hard rock at a very heavy expense, and have spent considerable sums of money on roads and lines of communication and we have paid to date, we believe, Rs.37,736 in royalty to Government.

7. Much information was placed by us at the disposal of Government which was published in the Memoirs of 1918-1919 and other applicants have been benefitted by this information. The Company have also experimented in the matter of utilising low grade ore to concentrate it fit for market and are ready to put in progress any scheme in this connection.

8. The writer is one of the oldest prospectors of the State,and excluding Gold, we are the second largest mineral revenue earners of the State, and the Mysore Chromite, Ltd. having to face heavy losses in chrome in war time, have declared no dividend.

9. With the exception of Dodkattur near Mysore, which we have not been able to work owing to litigation with the surface owners, and the one year's prospecting license over the Bairapur area, we have not been given any concessions in the State and all our other concessions have been acquired from others for hard cash.

Craving your sympatnetic consideration in this matter,

We have the honbur to be,

Sir,

Your most obedient servants,
per pro Oakley Bowden and Co.,
Managing Agents, Mysore Chromite, Ld.

Sd/ C.B. Oakley.

"COPY"

A. M. Lewis

Offg.Director,

Mysore Geological Department.

C 1685 / Govt 73-23-19 D 5/9/24

Govt 87-23-11 (a) 87

N O T I C E.

Notice is hereby given that applications from persons who are prepared to form Joint Stock Companies or Syndicates will be received by the Revenue Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Secretariat, Bangalore, up to the 1st October 1924, for ~~the grant of license for the working of~~ the right to mine Chrome Ore on the Byrapur-Hullenahally --- Block in the Channarayapatna Taluk, Hassan District.

Draft 3/9/24

Signed Bark Asst. Secy

2. Information should be given in the application regarding:-

(1) The area for which the license is required,

(2) The share capital of the Company and the value of each share,

(3) The names of the promoters of the proposed Company or Syndicate, the number of shares proposed ~~by them~~ to be given to them, the names of the proposed Managing Agents & Directors, with ~~other information in the matter.~~ Their interests in the Concern

+ the capital is to be raised

(4) And other important particulars which the applicant may wish to give regarding the proposed Syndicate or Company.

may be omitted

3. Each ~~tender~~ application must be accompanied by a deposit of Rs.100/- which will be returned in case the tender is rejected.

4. The final acceptance of ~~a tender~~ an application will rest with Government who reserve the powers to reject any ~~tender~~ application without assigning any reasons.

5. A prospecting license will be granted to the successful ~~tenderer~~ applicant on the ~~following~~ conditions:-

(1) The license will be renewable from year to year on the application of the licensee for a period of not more than three years within which it will be opened to the Company to apply for a Mining Lease in accordance with the rules now in force and such Mining Lease will be granted for a period of not -- exceeding ten years including the period covered by the Prospecting license.

(2) The ~~total~~ quantity of the ore to be collected should not exceed such maximum as may be fixed by Government by agreement with the applicant before the license is issued.

(3) Government shall be entitled to the first refusal of any quantity of the ~~output of the~~ mineral which may be required by them for Industrial purposes during the period covered by the prospecting license as well as the mining lease.

(4) In addition to royalty and other fees payable under the rules now in force the licensee shall also pay to Government a ~~fee~~ income of 25% of the annual net profit, which may be derived from the business, regular and -- correct account of which should be maintained by him in such form and in accordance with such rules as may be prescribed by Government

(5) Subject to the above mentioned modifications, the licensee will be bound by all other conditions prescribed in the rules

It will be open for Govt to disallow expenses or allowances ~~expenditure~~ on certain ~~items~~ which may be considered to be excessive & bring down the profits by higher percentage. Hence the necessity of preference

now in force for the grant of prospecting licenses in the State.

(6) A breach of any of the above -- conditions by the licensee will render the license or the lease, as the case may be cancelled and the block summarily resumed by Government.

N O T I C E.

Notice is hereby given that sealed tenders will be received by the Revenue Secretary to Government of His Highness the Maharaja of Mysore, General and Revenue Secretariat, Bangalore, up to 1st October 1924 for the working of Chrome Ore on the Byrapur - Hullenahally Block in the Channarayapatna Taluk, Hassan District.

1 Tenders should be submitted separately in a sealed cover, and superscribed "Tenders for the collection of Chrome Ore in the Byrapur - Hullenahalli Block".

2. Each Tender must be accompanied by a deposit of Rs. 100/- which will be returned in case the tender is rejected.

3. The final acceptance of a tender will rest with Government who reserve the power to reject any tender without assigning reasons.

4 The tender should contain full information regarding the previous mining experience of the applicant and his financial ability to work the area.

5. The acceptance of any tender will be duly communicated to the successful tenderer.

A prospecting license will be granted to the successful tenderer on the following conditions:-

(i) The license will be renewable from year to year on the application of the licensee for a period of not exceeding 10 years, but without a right to mining lease.

(ii) The total quantity of the ore to be collected should not exceed tons.

(iii) Government shall be entitled to the first refusal of any quantity of the output of the ---- mineral which may be required by them for Industrial purposes.

(iv) In addition to royalty and other fees payable under the rules now in force the licensee shall also pay to Government 25 per cent of the net profits which may be derived by him from the business, regular and correct account of which should be maintained by him in such form and in accordance with such rules as may be prescribed by Government.

(v) Subject to the above mentioned modifications, the licensee will be bound by all other conditions prescribed in the rules now in force for the grant of prospecting licenses in the State.

SNR 31/8

91

MYSORE CHROMITE LIMITED.

14493

REGISTERED OFFICE:
BANGALORE CITY.

Gen. & Rev. 84-23-12

Managing Agents:
OAKLEY, BOWDEN & CO.

Telephone No. 82.

Telegraphic Address:
"WAREHOUSE" MADRAS.

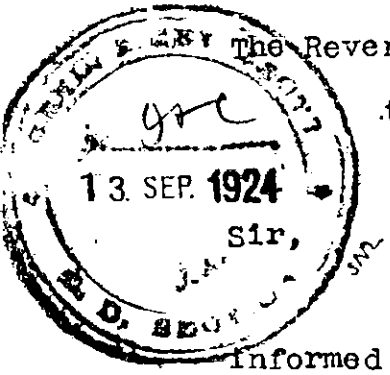
CODES. { Bentley's Perfect Phrase.
A. B. C. 5th Edition.
Do. 6th do.
Western Union, (Universal Ed.)
McNeils Mining.

15, ARMENIAN STREET,

MADRAS, 12th September 1924.

POST BOX NO. 67.

Ref 2387



The Revenue Secretary

to The Government of Mysore,

Bangalore.

Sir,

About 3 weeks ago our Mr. Bowden saw the Dewan who informed him that Government was going to call for applications for the formation of a Syndicate to mine chrome ore on the - - Bairapur block the original license for which was granted to us. In accordance with this interview we submitted a proposition to the Director of Geology. We now understand that application should be submitted to you and we have asked the Director of Geological Department to forward our original application to you. Meanwhile for your guidance we are enclosing herewith a copy of same. Either we or Mr. C.B.Oakley would be very pleased to discuss any matters which may arise out of our application with you at any time.

We have the honour to be,
Sir,
Your most obedient servants,

Oakley Bowden & Co

Managing Agents,
MYSORE CHROMITE LTD.

FHB/GR

92

MYSORE CHROMITE LIMITED.

REGISTERED OFFICE:
BANGALORE CITY.

Managing Agents:
OAKLEY, BOWDEN & CO.

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NcNeils Mining.

15, ARMENIAN STREET,
MADRAS, 30th August 192 4
POST BOX NO. 67.

The Director,

Mysore Geological Department,

Bangalore.

Sir,

The Dewan kindly gave our Mr Bowden an interview on the 22nd inst. on the subject of Chrome mining in Mysore with special reference to our application for a prospecting license over the Bairapur ores.

Mr. Banerjee informed him that Government are about to call for tenders or applications for the working of this area on the lines of G O No. 5146-57 dated 26th February 1924 and that with these in hand Government will give the area to the applicant or tenderer which in the opinion of Government is best able to work the area. We further understad that Government ~~wh~~ wishes to make it a condition of the lease to be given that the quantity mined from this area is tobe limited to an extent to be decided, tentatively suggested as 24000 tons per annum, and further that as it is advisable that public capital be sought Government would consider the question of granting a license for a period of 10 years Mr. Banerji asked us to submit our full case and application for

working the area with any suggestions we had to bring forward.'

In accordance with matters discussed at this interview we have the honour to submit our tender as follows for this area.' We have already submitted our application in terms of G O No.' 5146-57 of 26-2-24 and have submitted various letters on the subject concluding with our proposition of the 10th June 1924 and our present tender is submitted in amplification and /or modification of our proposals already before Government.

In the first place while we fully realise Governments first consideration must be efficient working we must respectfully submit that under the Mining Rules priority of application and work already done carry in themselves very considerable weight and constitute a very heavy claim on Government's consideration. Mr. Bannerji stated that Government would probably take up old manganese applications to be decided on this basis. In the case of manganese therefore Government are already considering the whole question in the very light we are asking for our application over Bairapur. We have already submitted our position in this respect and Government has definitely decided that our application in 1918 was the prior one. On that application we were granted a temporary license waiving our rights to a mining lease. This as we have pointed out in previous correspondence was insisted upon by Mr. Bannerji himself at interviews then held as being necessary in view of the policy then under consideration of reservation of natural resources. We gave this waiver as between subject and Government and we have pointed out in our letter dated 19th March 1924 and have fully urged therein that the waiver thus obtained from us on the score of

Government policy ceases to have weight when that policy is reversed. We therefore respectfully submit that our application under G.O. 5146-57 carries with it a very heavy claim on account of original discovery of this area and prior application.

While on this subject we have to refer to one further and germane point. Applications have been submitted in profusion for this area on lavish terms because as it stands it is not a mere doubtful prospect as is usually the case with prospecting applications. Bairapur is a proved mine and stands today after 6 years idleness an opened area the potentialities of which anyone with any experience can gauge. Not only so but it is in such a state that on the granting of a license now work could be commenced on a large scale within a couple of weeks. This is the result of our money lavished on opening up this area and we submit it would be unfair to hand over the fruits of our working to any third party. We fully admit we spent the money in development knowing we should have to step out at the end of the year in fulfilment of the policy of Government at that time. We trust we shall not be labouring the point in insisting respectufully but as strongly as possible that what was no hardship under the conditions in 1918 becomes not only a grievous hardship but savours of injustice when the policy of private development is reverted to as at present When the status quo ante is resumed our submission is that all the inherent rights of the discoverer and prior applicant are automatically revived

Whilst we urge strongly our claims in respect of discovering and opening up this area we fully recognise that Government has as strong or perhaps stronger claims that its natural resources shall

only be handled over to persons who have the knowledge and financial abilities to develop them properly and we fully concede that discovery and prior application have their full weight only when coupled with these requirements.

On this point we will not waste your time in writing much but point with confidence to our past and present working in this State in chrome as fully completing our claim to the grant of this concession. Prior to 1915 Mysore chrome was a negligible factor in the worlds supply. Since we took up the industry we have ourselves (and with our associated concerns) sold in the markets of Europe and America no less than 82,000 tons of Mysore ore. Included in that total are 30000 tons bought from other mines in the State who were started in the business by and through us and who but for the support given by us at the inception of their ventures must have failed. We have organised outlets for this mineral throughout England, the continent, America and even Japan and to do this have spent very large sums of money and have gained experience at very heavy cost such as we can confidently say no other firm in India possesses as to marketting the ore. We have also conducted both in India and England most interesting experiments on concentration of ores which may lead to great developments all of which we are prepared to place at the disposal of the industry. We therefore have to urge very strongly that even if Government were to ignore our representations (which we cannot consider possible) on the points of discovery, applications for, and development of the Bairapur area, they could not find concessionaires as capable as ourselves

to do justice to the area in developing it properly and marketting its output - the latter being by far the most difficult problem in the industry.

To come now to our definite proposals for working the area we have already placed certain proposals before you in our letter of the 10th June 1924. After full discussion we consider that to form a company for Bairapur alone is foredoom it to failure. With our other mines working separately the allotment of orders would present constant difficulties. We now hold 3 mining leases in the State and if Government sanctions our application for Bairapur we are prepared to throw all our interests into one large public company open to investment in the State. A concern of this nature has every prospect of success which would be difficult if not impossible for one small company working Bairapur alone.

It is not possible to give figures accurately at this stage but our proposal would be that if Government sanctions our application for a lease over Bairapur for a period of 10 years we would undertake to form a public company in this State with a nominal capital of Rs.15 lakhs. We would sell to this company all our stocks and concessions including existing licenses we possess at a reasonable price to be agreed of which we should want a certain amount in cash to pay certain liabilities but the majority of the purchase price in shares. We would propose to offer 4 to 5 lacs for public subscription in the State out of which the cash portion of the purchase price would have to be paid the balance being available for working capital. We would propose reserving the balance of the capital unissued for use

possibly in buying in other mines owners as opportunity offers or for further cash subscription of additional capital is required.

We should act as Managing Agents of the company and would place at its disposal all our connections here and abroad and all our experience in this industry.

Government would receive 25% of the profits of the whole company instead of 25% on Bairapur alone. This fact would have to be taken into consideration when fixing the prices at which the proposed new company would take over the existing licenses we possess which are free of this stipulation but we think you will agree that in making this proposition we are demonstrating we are prepared to go to the utmost limit to collaborate with Government in the industry.

In our letter of the 10th June we suggested the proposed new company should have a monopoly of new licenses in the State but as pointed out by the Dewan this is open to various objections. We would therefore withdraw our suggestions on this point.

We propose that Government should have the right to nominate one or two directors to the Board of the proposed company to safeguard their interests.

If Government grant us the area we would agree to a restriction of output on the lines proposed by the Dewan at his interview viz. 24,000 tons per year to be the maximum allowed to be exported.

This proposition we think covers the main lines to be considered, but if there are any points on which you require further information or proposals we shall be happy to submit, them on hearing

from you. If Government agrees in principle to the main outlines putforward herein there will be a number of details which will require settlement and we should be pleased to call and discuss these with you hearing from you.

We have the honour to be,

Sir,

Your most obedient servants,

Parkes Bowden & Co

Managing Agents,
MYSORE CHROMITE LIMITED

EHB/GR

15198

1496

No. 375 Dated Bangalore, 15 September 1924.

GEN. & REV. SECRETARIAT
18 SEP 1924

Section 17 Geol
File No. 87-23
Serial No. 13

From INDUSTRIES & COMMERCE
A. HACKMAN, Esquire, M.Sc., F.G.S., &c.,
Offg.Director,
Mysore Geological Department.

17 SEP 1924

To K. V. Anantaraman, Esquire, B.A.,
Offg.Secretary to the Government of
His Highness the Maharaja of Mysore,
Revenue Department.

Sir,

I have the honour to submit herewith for the information of Government a copy of letter No.2250, dated 30th August 1924, from Messrs.Oakley Bowden & Co., of Madras being a proposition to work the Byrapur-Hullenhalli Chrome Block and to state that with reference to the same I have replied to the Company asking them to submit their scheme to the Government direct before 1st October in pursuance of the notice calling for tenders from the public.

I have the honour to be,
Sir,
Your most obedient servant,

Offg.Director,
Mysore Geological Department.

C.N.

Letter No.2250, dated 30th August 1924, from Messrs. Oakley, Bowaen & Co., Managing Agents, Mysore Chromite Ltd., to the Director, Mysore Geological Department.

The Dewan kindly gave our Mr.Bowden an interview on the 22nd instant on the subject of chrome mining in Mysore with special reference to our application for a prospecting license over the Bairapur area.

Mr. Bannerji informed him that Government are about to call for tenders or applications for the working of this area on the lines of G.O. No.5146-57 dated 26th February 1924 and that with these in hand Government will give the area to the applicant or tenderer which in the opinion of Government is best able to work the area. We further understand that Government wishes to make it a condition of the lease to be given that the quantity mined from this area is to be limited to an extent to be decided, tentatively suggested as 24000 tons per annum, and further that as it is advisable that public capital be sought Government would consider the question of granting a license for a period of 10 years. Mr. Bannerji asked us to submit our full case and application for working the area with any suggestions we had to bring forward.

In accordance with matters discussed at this interview we have the honour to submit our tender as follows for this area. We have already submitted our application in terms of G.O.No.5146-57 of 26-2-24 and have submitted various letters on the subject concluding with our proposition of the 10th June 1924 and our present tender is submitted in amplification and for modification of our proposals already before Government.

In the first place while we fully realize Government's first consideration must be efficient working we must respectfully submit that under the Mining Rules priority of application and work already done carry in themselves very considerable weight and constitute a very heavy claim on Government s consideration. Mr. Bannerji stated that Government would probably take up old manganese applications to be decided on this basis. In the case of manganese therefore Government are already

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While on this subject we have to refer to one further and germane point. Applications have been submitted in profusion for this area on lavish terms because as it stands it is not a mere doubtful prospect as is usually the case with prospecting applications. Bairapur is a proved mine and standa today after 6 years idleness an opened area the potentialities of which any one with any experience can guage. Not only so but it is in such a state that on the granting of a license now work could be commenced on a large scale within a couple of weeks. This is the result of our money lavisged on opening up this area and we submit it would be unfair to hand over the fruits of our working to any third party. We fully admit we spent the money in development knowing we should have to step out at the end of the year in fulfilment of the policy of Government at that time. We trust we shall not be labouring the point in insisting respectfully but as strongly as possible that what was no hardship under the conditions in 1918 becomes not only a grievous hardship but savours of injuries when the policy of private development is reverted to as at present. When the status quo ante is resumed our submission is that all the inherent rights of the

discoverer

discoverer and prior applicant are automatically revived.

Whilst we urge strongly our claims in respect of discovering and opening up this area we fully recognize that Government has as strong or perhaps stronger claims that its natural resources shall only handed over to persons who have the knowledge and financial abilities to develop them properly and we fully concede that discovery and prior application have their full weight only when coupled with these requirements

On this point we will not waste your time in writing much but point with confidence to our past and present working in this State in chrome as fully completing our claim to the grant of this concession. Prior to 1915 Mysore chrome was a negligable factor in the worlds supply. Since we took up the industry we have ourselves (and with our associated concers) sold in the markets of Europe and America no less than 82,000 tons of Mysore Ore. Included in that total are 30000 tons bought from other mines in the State who were started in the business by and through us and who but for the support given by us at the inception of their ventures must have failed. We have organized outlets for this mineral throughout England, the continent, America and even Japan and to do this have spent very large sums of money and have gained experience at very heavy cost such as we can confidantly say no other firm in India possesses as to marketting the ore. We have also conducted both in India and England most interesting experiments on concentration of ores which may lead to great developments all of which we are prepared to place at the disposal of the industry. We therefore have to urge very strongly that even if Government were to ignore our representations (which we cannot consider possible) on the points of discovery, applications for, and development of the Sairapur area, they could not find concessionaires as capable as ourselves to do justice to the area in developing it properly and marketting its output - the latter being by far the most difficult problem in the industry.

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It is not possible to give figures accurately at this stage but our proposal would be that if Government sanctions our application for a lease over Bairapur for a period of 10 years we would undertake to form a public company in this State with a nominal capital of Rs.15 lacs. We would sell to this company all our stocks and concessions including existing licenses we possess at a reasonable price to be agreed of which we shpuld want a certain amount in cash to pay certain liabilities but the majority of the purchase price in shares. We would therefore propose to offer 4 to 5 lacs for public subscription in the State out of which the cash portion of the purchase price would have to be paid the balance being available for working capital. We would propose reserving the balance of the capital unissued for use possibly in buying in other mines owners as opportunity offers or for further cash subscription of additional capital is required.

We should act as Managing Agents of the company and would place at its disposal all our connections here and abroad and all our experience in this industry.

Government would receive 25% of the profits of the whole company instead of 25% on Bairapur alone. This fact would have to be taken into consideration when fixing the prices at which the proposed new company would take over the existing licenses we possess which are free of this stipulation but we think you will agree that in making this proposition we are demonstrating we are prepared to go to the utmost limit to collaborate with Government in the industry.

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as

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This proposition we think covers the main lines to be considered, but if there are any points on which you require further information or proposals we shall be happy to submit them on hearing from you. If Government agrees in principle to the main outlines put forward herein there will be a number of details which will require settlement and we should be pleased to call and discuss these with you on hearing from you.

Copy.

B. Fagan Pavey
Director,
Mysore Geological Department.

C.N.

105

G. R. S. VI-G-32] B50—WD 0527

SUBJECT

Diary No. of letter replied to

General and Revenue Secretariat
( )
, the 192

Section Rev
File No. 87-23
Serial No. 14

No. I.C 2349

Date of issue 30/5/24.

Signed by for S. Narayana Rao

To The Managing Agents
Mysore Chromite
Limited

Gentlemen

With reference to
your letter dated 12.9.24
submitting certain
proposals regarding
the working of the Chromite
mines in the Byrapur-
Hullenahalli area,
I am directed to state
that Govt. cannot consider
your present proposals
& that if you wish to
tender for the mines you
may do so

I have the
honour
Sir
Your obedt Servt
over

Sec: Rev

57/9/24

with reference to your note

Rev. I.C. 1665
Revl 73-23-19

P. T. O

16 b

memo no I.C 235 dt 30/5/24

Copy forwarded to the Dir of Ind with reference to his letter no 375 dt 15/17.9.24

By order

SMR 30/7

Sec to Govt
Rev Deptt

20/-

17650

87-23-1/1

107 Geol 23-24-20

MYSORE CHROMITE LIMITED

REGISTERED OFFICE:
BANGALORE CITY

Managing Agents:
OAKLEY, BOWDEN & CO.

Telephone No. 82.

Telegraphic Address:
"WAREHOUSE" MADRAS.

CODES. { Bentley's Perfect Phrase. A. B. C. 5th Edition. Do. 6th do. Western Union, (Universal Ed.) McNeils Mining.

D 1764

15, ARMENIAN STREET,

MADRAS, 26th September 1924.

POST BOX NO. 67.

30 SEP 1924
INDUSTRIES & COMMERCE BRANCH.

Ref 2559

The Revenue Secretary
to The Government of His Highness the Maharaja of Mysore,
General & Revenue Secretariat,
Bangalore.

30. SEP. 1924

Sir,

With reference to notification No.I.G.1665/Geol.73-23-19 dated 5th September, we have already addressed you sending a copy of the letter which we had forwarded to the Geological Department. As however this letter does not completely comply with the form of terms of the notification we have the honour to submit our application as follows:

(a) We have the honour to apply for a license over the area covered by Expired Prospecting License No.473. We have also done so formally in our No 665 dated 29. 2. 1924. made the necessary deposit.

(b) In the event of this ~~company~~ being granted to us we are prepared to form a company in Mysore with a capital of Rs.15,00,000/- in shares of Rs.10/- each. It is proposed that ten lakhs should be issued at once partly in fully paid shares to the vendors and the balance for subscription in the State. In the event of the - - Bairapur concession being given to us and the company formed we will

sell to this company all stocks and licenses which we now hold in the Mysore State at a price to be arranged with Government as - - representing a fair value. Of the amount thus agreed we would be prepared to accept 1/3 in cash and the balance in fully paid up shares.

(c) The promoters of the proposed company would be the firm of Oakley Bowden & Co., partners:- Mr. F.H. Oakley and Mr. F.H. Bowden and it is proposed that the firm of Oakley Bowden & Co. should act as Managing Agents for the new company. The Directors would be

Mr. F.H. Oakley
Mr. F.H. Bowden
Mr. G. Lorenzo

At present Directors of Mysore Chromite Limited

and 2 or 3 Indian gentlemen of the Mysore State of whom the Government should have the right to nominate 2 members. With regard to their interests in the concern the first 3 named are interested as Members and Directors of Mysore Chromite Limited.

(d) With regard to the particulars which we wish to give regarding the proposed company, our idea is that we should place at the service of the company our lengthy experience as to the mining and marketting of the material and also the results of the various - - experiments that we have carried out in the way of concentration of chrome ores. Our dea is, subject to the approval of the Directors that a plant should be erected for the crushing and concentration of low grade ores and for the improvement of the high grade ores. A considerable market is available if we can supply a highly - - concentrated ore. We have carried out a lengthy series of experi-

ments

experiments both here and at home in connection both with mechanical concentration and magnetic separation of ores obtainable from Mysore with very encouraging results. All our information would be placed at the disposal of the company

We would also place at the disposal all our connections both in India, Europe and America, so that the new company would have an established outlet which has handled the bulk of the ores produced in Mysore. As marketting of these ores is one of the most important items we will submit that any company having to make its own outlets in the face of competition from ourselves and others who have been engaged in this trade for years would find it exceedingly difficult to enter this very close market.

With regard to the proposed operation of the company we would say now that there is no intention of ~~starting~~ disturbing the arrangements of friendly competition which have existed for years between ourselves and other miners in the Mysore State. We have bought a large portion of their output for which we have found outlets and we propose that the new company should carry on the same policy of live and let live

With reference Clause-4 of the notification, in the event of this area being granted to us we note the various stipulations in this clause with which we are in accord.

With reference to Sub-Section 4 we notice it is stated that any higher percentage offered will receive preference. After very careful consideration of the matter we cannot see any prospect of making a really successful business if anything more than 25%

has to go to Government. We would point out that if it is desired to give the public an opportunity of investing in this enterprise it would be fatal to burden the concern with too high a percentage which might prevent dividends being paid. We think Government will agree that it is more important in the present stage of industrial development to have a concern returning satisfactory dividends to shareholders than to have one which might return a slightly larger amount in the first instance to Government but which could not pay satisfactory dividends and so discourage the whole cause of industrial development in the State. We have to point out however that under our proposal we are handing over to the company two mining leases which we now hold unfettered by this condition and that in the event of this application being accepted and the Bairapur area granted to us we should be giving Government a 25% interest in the licenses we already hold. We therefore submit that we are giving Government a considerably greater interest in the chrome trade of Mysore than could be given if others offered even 50% of the profits of this particular area. The success of the company is not only dependent on extracting the ore but in selling it and as we have stated elsewhere for a new company to start for Bairapur alone without an established market in the face of competition from ourselves and Mr. V. Manickavelu Mudaliar is foredoomed to failure. We have shown by our offer to throw in our existing licenses that we are prepared to colloborate with Government in the development of this industry to the utmost - - possible extent.

There are a great many details in connection with the company which we cannot very well enter into at this stage as they are matters for conversation with Government and settlement by mutual arrangement. We would ask that this application might be read in conjunction with our letter to the Director of Geology dated 30th August copy of which was forwarded to you with our letter of the 12th of September. We shall be very glad to go more fully into matters and to discuss details in the event of this application being considered. In the meantime we ask attention to our letter of the 30th August as it sets out what we submit are our incontestable claims in equity to the grant of this area. We do not want to burden this already long communication by recapitulating these points but we do submit that the claims we have set out in that letter of the 30th of August are deserving of the most careful consideration by Government.

Hoping to hear from you in due course,

We have the honour to be,

Sir,

Your most obedient servants,

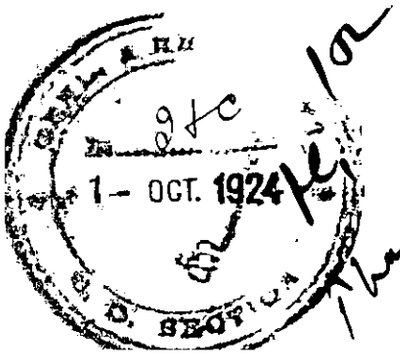
Oakley Bowden & Co

Managing Agents,
MYSORE CHROMITE LTD.

FHB/GR

866

Genl 87 23-11



From

T. L. Setty and C. B. Desai
Merchants and Commission Agents
35, Sultanpeth, Bangalore City.

To

The Secretary to the Government
of His Highness The Maharaja
of Mysore. Revenue Department
Bangalore.

Bangalorecity, 30th September 1924.

Sir,

With reference to the Government Notification appearing in the Government Gazette, inviting pro--posals for the disposal of the Hullenhalli-Bairapur Block of Chrome ore in the Chanarayapatna Taluq, on the basis of the formation of the Joint Stock Company we have to invite your attention to our application dated 1st May 1924 submitting proposal for the said Block and have now in add--ition to the samethe pleasure tosubmit below an alternative pronosal along with the said referred proposal.

We are not quite willing to form the Joint stock Company unless the Government is very keen on the same as we are able enough to stand on our own legs for the finance of the said business to such extent as it requires and as its Bonafidewe are willing to deposit Rs. 25,000 --- with the Government f however Government ---- sanctions our proposal we can invite the following gentlemen to joint the Board of Directors for the proposed Company to work the said Bairapur Block.

1 Dewan Bahadur Gonddas Chaturbhuj Doss -- Madras.
2 Mr. Ratilal Nandlal Callianjee Bangalore
3 Mr. Nemchand Velchand Merchant, Bangalore.
4 Mr. V. Chinswany Moodaliar. Bangalore.
5 Mr. T. Lakshmiasetty Bangalore.
6 Mr. C. B. Desai Bangalore
7 Sheth Pessoomal Harbhagwandas Bankers, Shikarpur, Bangalore

We believe, Government is aware of the --- present market situation of the Chrome ore on the Continent The Offers we, received while we last submitted our scheme i.e., on 1st May 1924, was Rs. 26/- per ton free rails Tiptur, or Rs. 37/--- F.O.B. Mormu Goa or Madras. While there is practically no demand of an ounce of chrome ore now since last four months and the proposal of a very sound business we had then, has been cancelled. The result is that both the Mineowners Messrs V. Manickavelu Moodaliar and C. B. Oakley have thousand of tons of Stock which the former is quite willing to part with at much lower rate than his last sale.

If however, Government have different --- reports, other than this, and so expects much more profits by way of 25 percent of profits than Rs. 5/ Five perton as proposed by us in our scheme dated 1st May 1924 we are willing to work the mine on the following proposal.

1. Government should give us lease for ten years.
2. Government should first acquire and give us free possession of the property without any body's claim of Surface rights or any other incumbrance
3. We shall invest our own capital for the busines and will charge interest on such investment at

the ate of nine percent per annum

4. We shall mine the ore under the supervision of the officer deputed by the Government.
5. We shall maintain accounts in the forms approved by the Government.
6. We shall sell the ore at the best possible market rate with the sanction of the Government and after deducting the working cost, interest carting of the ore etc., and after deducting Rs. Five per ton as our Commission we shall hand over all the surplus profits to the Government.

We trust Government will consider any of our two proposals and sanction one of the same at an early date.

We beg to remain,

Dear Sir

Your most Obedient Servants,

J.L Salty & C

18088

C. M. GARUDACHAR, B.A.

No. 3, North Public Square Road.
Basavanagudi Extension.
BANGALORE CITY.

Dated, 3. 10. 24.

Dear Sir,

I thank you much for kindly returning the application. I am sending it again duly signed & deeply regret the mistake

yours sincerely,
C. M. Garudachar

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No. 3, North Public Square Road,
Basavanagudi Extension,
Bangalore City, 2nd Oct. 24

K. V. Anantaraman, Esq., B.A.,,
Secretary to Government,
Revenue Department,
BANGALORE.

GEN. & REV. SECRETARIAT
2-OCT 1924
INDUSTRIES & COMMERCE
BRANCH.

Dear Sir,

With reference to your notification No. I.C.1665-Geol. 73-23-29 dated 5th September, 1924, I have the honour to state that I have personally visited the Byrapur-Hullenahalli block and carefully gone over the area for which I have already applied for a prospecting license, submitted through the Director of Geology. Expert opinion has corroborated my own impressions that detailed and regular prospecting work has not been done over this area. An effort has no doubt already been made to win as much ore as possible in a certain place of this area and it is for the prospective licensee to find out whether the present indications continue or are only illusive. It is, therefore imperative that systematic and detailed prospecting ought to be first conducted before I could undertake to pursuade others to part with their funds in a business which is of a highly speculative nature. I will not be doing justice either to myself or to the interests of the chrome industry by presentation of a rosy picture based merely on past records. I am confident of inducing capatilists to join in the formation of a private syndicate, when once the efforts of future prospecting work prove to be encouraging

encouraging and beneficial. In the matter of prospecting and management of the industry, I have the good fortune of having the valuable assistance of Messrs. R. Vyas Rao and C. M. Vijayaraghava Char; the former will assist me in geological work and the latter in chemical analytical work. One firm of buyers is willing to accept the analysis done by Mr. C. M. Vijayaraghava Char if I should make a contract with them for supply of chrome ore.

As the formation of a syndicate will only happen if the labours of prospecting work prove to be fruitful, I do not at present give any details regarding the Share Capital and value of each share. As I have stated before, it is easy to convince capatilists to join on proved results and hence all the capital that is necessary for the development of the industry can then be raised. The value of each share is only a detail in such a case.

In case I am given the privilege of forming a syndicate, I would interest persons like Mr. Modi Abdul Gaffor, Skin & Hides Merchant, Bangalore, Mr. Patre Channaverappa, Coffee Planter, Birur, Mr. H. Venkatachala Iyengar, Sahukar, Hampapur and one or two more. The number of persons will depend on the capital that will be required. And the capital also depends to a great extent on the market we are likely to have for the ore and the contracts we might make for selling.

I agree to all the conditions mentioned in clause 4 of the notification above referred to. I shall do my best to guard the in-

interests of Government and myself in securing as much profit as possible in the business. As the amount of profit in the business cannot with any reasonable accuracy be calculated and as I do not propose to be highly speculative, I submit I can agree to pay to Government only the minimum fixed, namely, 25% of the annual net profits.

In conclusion I beg leave to state that I applied for prospecting license over three chrome areas. Two areas that I had applied have been granted to other applicants. I do not at all question the action of Government but submit that I have been bitterly disappointed in my hopes of doing business in chrome. I pray that I may be kindly compensated by the grant of the prospecting license now applied for in view of the facts that I am a new person with a clean record entering this business line, that I can afford the necessary finance and expert advice to undertake the work successfully and that I am willing to safeguard the interests of Government in the business.

I have the honour to remain,

S i r,

Your most obedient servant,

C. M. Garnsworthy

Geol. 87-23-17

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To

The Revenue Secretary,

To The Government of His Highness the Maharajah of Mysore,

General and Revenue Secretariat, BANGALORE.

S i r,

In response to your notification No.I.C.1665 Geol: 73-23-19 dated the 5th September 1924, we beg to submit our tender for the right to mine Chrome ore on the Byrapur-Hullenahalli Block in the Channarayapatna Taluk, Hassan District.

We subjoin below the information called for in the notification under reference.

AREA:- Two Sq. Miles of the Chrome Mine known as Byrapur-Hullenahalli Block.

We are agreeable to float a Joint Stock Company as required in the notification under the name and style 'THE MYSORE MINING CORPORATION Ltd., detailed as under:-

AUTHORISED CAPITAL:- Rs.200000/- (divided into 20000 shares of Rs.10/-each)

Payable:-Rs.2/- with application, Rs.2/- on allotment and the remaining to be called up in instalments of not more than Rs.2/- at intervals of not less than two months.

ISSUED CAPITAL:- Rs.100000/

DIRECTORS:-

1. Mr. Sngri Nanjappa - Merchant, Tiptur.
2. " K. Natkallappa - Merchant & Toddy Contractor, Bangalore.
3. " T. Papayya Naidu - Banker, Bangalore Cantonement.
4. " Bellary Ahmad Sait - Merchant & Landlord, Bangalore.
5. " T.M. Ramayya Chetty - Iron Safe Manufacturer, Bangalore, Madras and Tiptur.
6. Rao Bahadur B. Venkatasami Naidu - Military Contractor, Bangalore.

MANAGING AGENTS:-

Messrs. Singri Nanjappa & K. Natkallappa & Co., Bangalore & Tiptur.

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The number of Directors shall not be more than TEN and not less than FIVE and the qualification of a Director shall be his holding not less than 200 shares of the face value of Rs.10/- each.

DIRECTORS INTERESTS.

Messrs. Singri Nanjappa & K. Natkallappa are interested in the remuneration payable to the Managing Agents as the constituents of the Managing Agents.

Directors shall be entitled to receive by way of remuneration not more than Rs.25/- for every meeting attended besides actual travelling expenses if any.

MANAGEMENT.

The management will be vested in the firm of Messrs. Singri Nanjappa & K. Natkallappa & Co., Bangalore & Tiptur, who will be the Managing Agents of the Corporation. The remuneration will be an allowance of Rs.500/- per mensem or such other sum or sums, which the Directors may determine from time to time and a Commission of 15% of nett earnings of the Corporation.

We are prepared to pay 30% of the annual nett profits derivable from the business and such other royalties &c., as prescribed under rules.

We beg to remain,

Sir,

BANGALORE, 30th Sep.24. Your most obedient servants,

Singri Nanjappa

3.1

GEN. & REV. SECRETARIAT
D 1802
2-OCT 1924
INDUSTRIES & COMMERCE
BRANCH.

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To

Geol 87-23-17(4)

The Secretary to the Government,

of His Highness the Maharaja of Mysore.

BANGALORE.

Sir,

I have the honour to submit for the immediate consideration of Government certain observation in the matter of Government Notice NO.1 C 1665-Geol.73-23-19 dated 5th September 1924,throwing open for competition the Byrapur-Hullenahalli Chrome Block in Chennarayapatna Taluk. This action of Governemnt seems to be based on an entire misapprehension of the present situation in regard to the demand for the Ore and the effect of an unhealthy competition for the disposal of the Ore and regardless of my previous application for it and other vested interests and any consideration for the parties who have already staked their interests in the industry.

I may also add for your information that the 2nd Councillor was good enough to hear my representations on this subject at a recent personal interview,but there was not sufficient time to have my say in full or submit my representation on paper on which he could take any action.

The first point I would lay stress upon is that there is not any such huge demand for Ore at the present as to make Government think that they would derive a huge profit by the competition system.The reports of the - Inspector of Mines and the Geological Department will show that the sales of the Ore are gradually diminishing.

I have sold 13,005 tons for the year ending June 1924,as against 26,217 tons in the previous year.Apart from my own experience as a Chrome Miner(and I have now

Now 25,000 tons lying unsold) I would in support of my statement press upon Government the fact that the only other Chrome Licensee and Lessee in the State Mr.C.B.Oakley who had a temporary license over Hullenahalli block in 1919, mined 25,000 tons with all his large European and Local Mysore Bank's financing has not been able to sell out of it more then 15,000 tons during the past six years, and has now 10,000 tons unsold, lying on the block, Showing how the exagg--erated demands are unfounded. What we Chrome Miners want are sound and substantial facilities for working, such as protection in areas, transport facilities for working in the shape of tramways and Railways, all of which I have already foreseen and applied to Government for and are still before Government. Any unhealthy competition will simply stifle the industry and ruin those already in it, Viz., practically myself. Government should clearly realise that if there is really any such demand as the Government seem to think I (and Mr.C.B.Oakley too) would not miss any opportunity to sell the ore even at the risk of our own profits, and I also make bold to state that if there is any real demand I am prepared to sell to the likely buyer large quantities even at a loss to myself on a forward contract for a long time.

The next point I venture to submit is that my application for the Byrapur-Hullenahalli block is the first in that area in which I hold other Leases and Government should not only protect my vested interests but also encourage me to goahead. All my property and interests are staked entirely in Mysore and I am a resident in the City in the Jurisdiction of His Highness the Maharaja and I have practically a claim on the consideration of Government and how far vested interest ought to count with Government in the matter will be apparent from the fact that in the case of the very prosperous Gold Mines on the Kolar Fields, when

when the renewals of leases fell due in 1910, the Government rather trusted the existing lessees and gave them renewals for a very moderate consideration in preference to throwing the field open to competition.

I would as a practical miner strongly impress upon the Government that Government will be practically killing the Chrome industry which after all, has not so far advanced (practically not beyond myself) as to call for any violent change in the system of disposal.

Briefly then I would urge:-

1, that as the first applicant for the block in question I may be granted the block under the usual rules as I hold the surface right already over it.

2. that as one who already worked in Chrome in the State satisfactorily and contributed handsomely to the Mining Revenues of the State, I have a claim on the Government for further encouragement and support and I beg that I may also be granted what I have asked for Viz., preferential rights over Chennarayapatna Taluk and the scheme of tramways or Railways over my areas.

3. It is to the interests of Government to conserve the the Chrome industry by not recklessly throwing open areas to competition, for the ultimate success of the Bhadravati Iron Works depends largely on the high quality steel which they can manufacture and this Chrome is essential and shoul not be thrown open for so called inflated temporary demands created by personal consideration.

In conclusion I would represent that if need be the entire question may be submitted by Government for discussion and consideration by a suitable Board of competent men who, I feel, sure cannot fail to be convinced by my observations and may be able to submit suitable recommendations to Government

Of course Government may reply onme to do all I can to further their own interests and convince them of the hollowness of public opinion about the so called present day demand for Chrome.I make bold to say that if Government will only keep back the Byrapur Block for grant to me when I apply for it later on (and I assure them I will not apply for it until my present resources and blocks are exhausted),I am prepared to offer from my present blocks Chrome Ore to would-be buyers (at pits mouth)who have exaggerated notions of demand all the Ore of whatever quality or quantity they want at Rs.5/-per ton less than the market rate at Mormugoa or Madras minus transport charges.Even this step of reserving the block for a time will remove all unhealthy competition and perhaps will also be of interest to Government as indicating the real situation regarding demand for Chrome.

I beg to enclose herein the previous correspondence and my previous proposals.

I have the honour to be

Sir,

Yours most obedient servant,

Bangalore.

Dated.1st October 1924.

Enclosure 4

THE DEVELOPMENT OF THE MYSORE MINERAL INDUSTRY.

The Government of His Highness the Maharaja of Mysore have in common with the rest of India now launched on a vigorous scheme for industrialising Mysore. Not the least important among the various industries is the Mining Industry. It has now been going on for 40 years but yet it cannot be said to have been fairly successfully established. Leaving aside the gold mines which are still confined to a small area in the Kolar District, the only other ores which are being worked for are Manganese and Chrome, and even in these cases though a number of licenses and a few leases are current the work is confined to only two small areas in the Shimoga and Hassan Districts and all the other areas are only held nominally and have not been successfully worked. This has been the case with other minerals also such as copper, lead, asbestos, mica, kaolin &c., and beyond discovering the deposits, nothing more has been done.

These facts conclusively prove that the present system of licensing the working of minerals is not on the right lines. Licenses and leases are granted indiscriminately without any regard to the resources of the applicants either as regards the large financing necessary in the case of speculative concerns like mines or the commercial and technical knowledge to deal successfully with minerals and the lack of comib ation among licenses for vigorous work on a large scale. Nor has the system been of any advantage to Government to boast of, all the income derived being only some rents on the blocks.

In support of the above observations of the Manganese and Chrome industries stand as a bold illustration. During the boom between 1906 and 1910 a large number of licenses were granted for these ores. The licensees in most cases were quite new to the business. Many had neither the funds for working the mines nor any knowledge of the ores nor any experts to guide them, there were no laboratories for analysis of the ores and some few who did did up some ore found it lacking in the standard manganese or Chrome contents and gave up the business or held to their licenses in fond hope of finding a purchaser for the mines. The licensees did not realise that consumers could only deal with large outputs of a standard quality and that each individual's small output was of very little use from a commercial point of view. The conditions of transport being f.o.b. or c.i.f. large sums were required for transport alone and this the licensees did not either

command or did not care to risk with the chance of the ore being rejected as not being up to standard. It is significant fact that even two European Syndicates working for Manganese and Chrome could not manage to find or did not care to risk the huge transport charges for their large consignments. If instead of licenses having been frittered away a capable central body with large resources had been trusted to develop mining it could have organised the business on right line commanded all the smaller outputs and in different ores, standardised them by assimilation and eliminated the impurities which affect the price and put the entire lot in the market with considerable advantage to all.

The conditions narrated above hold good in the case of other minerals also. Deposits of copper and asbestos have been found of different qualities each not workable by itself but capable of being developed into a large industry by combination.

Without dilating much more on these points, the following conditions seem from past experience to be absolutely essential for the development of mines -

(i) The existence of a large central company with ample capital to deal with all mining in Mysore Province including precious stones (but except gold) on up-to-date methods.

(ii) The grant of a large area free of all present preliminary charges for such a company to deal with satisfactorily. In proof of the success of such a concession the instance of the Kolar Gold Field may be cited. If the single person who was the prime mover in the business had not been given a free large concession with certain privileges it would have been very doubtful if the present field would have seen the light of day.

As another instance it may be stated that the Deccan Mining Co., obtained the sole concession for Coal in the Nizam's Dominions with the result that the industry is now flourishing on a large scale and encouraged by this a similar large concession for all minerals over the whole State has now been recently granted to another individual (Sir Fazulbhai Currimbhoy of Bombay).

OBJECTS OF THE COMPANY.

(i) Capital Rupees Twenty Five Lakhs.

(ii) Hold concessions and mining rights throughout Mysore Province and to develop and work the same,

(iii) Purchase and amalgamate all valuable mining properties in Mysore Province,

(iv) Purchase for cash all classes of Ore now being produced in

in large quantities in the Mysore State and other places,

(v) Establish and equip a laboratory in Bangalore for the determination, assaying and valuing of Ores and mineral products,

(vi) Erect smelters, reduction works and separators for the treatment of all classes of ores,

(vii) Train young men for assaying and practical mining,

(viii) Establish and maintain a field staff to investigate and report on any mining propositions, gate

(ix) Finance the development of party developed or producing mines,

(x) Form Companies and raise capital for the equipment and further development of proved mining properties and to act as Managing Agents and Consulting Engineers to such companies,

(xi) Act as merchants, buying agents and shippers of all classes of ore or mineral products produced in Mysore State and elsewhere.

CONCESSIONS REQUIRED.

(i) The right to explore and work for Manganese, Chrome and other minerals (except Gold) throughout the State for a period of 30 years (with option of further continuance) except and without interfering with licenses and leases already current which should also be given over to the Company if not worked for 3 years.

(ii) Mining being a purely speculative concern, no preliminary payments such as rents, deposits, forest compensation &c., should be levied.

(iii) The chief costly item in all mining is transport of ore and materials. To facilitate this, concessions for Railways wherever required should be granted free, e,g. all old rails, sleepers &c., requiring to be replaced on existing lines to be sold to the mining company at concession rates, all Government lands should be given free and private lands acquired for the company under Land Acquisition Act, supply of sleepers by the forest department at concession rates, Railway surveys free &c.,

(iv) No tolls to be levied on carts carrying minerals, mine-owners being required to keep roads in order with their own funds and the usual Government allotments for maintenance of roads,

(v) The company should have full power without any restrictions from Government to permit mining work being carried on by parties approved by the Company and the Government should very promptly grant or approve of any assignments of mining blocks to private parties where necessary.

(vi) In view of the large monetary transactions involved, some financial concessions are required. The Bank of Mysore should be made to advance to the company 50 per cent of the market value of the ore less transport charges on all marketable ore deposited with them. This is necessary to facilitate prompt sales.

In return

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In return for the above concessions, the Company will pay to the Government usual Royalty plus one-third of the profits which in my opinion and experience will yield a huge revenue not less than at least five times the present average mining revenue for the past ten years -except from gold) Should such minimum results not be realised by Govern -ment during the first 5 years, the concession may be cancelled.

CONCLUSION.

ror the proper appreciation of the concession it is essential to bear in mind -

(i) Deep mining is the only remedy in Mysore to yield the standard ore,

(ii) Each individual mine is unable to meet the demand on any required scale as regards quality or quantity, whereas a Company with control of a number of mines can easily produce both by combination and blending of ores. The failure of the Mining Industry is now due to lack of such combination - some mines producing too high a grade and others too low a grade, each in itself unmarketable.

(iii) With the rapid advance of science characteristic of the present age, all existing natural products are being replaced by cheaper artificials products and it is quite possible that the present demand for our ores may cease at no distant date and it is therefore a great advantage to act promptly and utilise our resources to the utmost extent which can be done only by a large company.

(iv) Except with a large concession it is impossible to enter into foreign forward contracts.

(v) Statistics for past 7 years prove that our imports are far in excess of our exports (nearly 21 crores) which means so much loss to the people of the State, whereas prosperity of a company depends on the reverse, and to meet this loss, development of our mineral resources is the only resort.

My own past record in the development of the Chrome industry in the Channaroyapatna Taluq (which no one else not even foreign capitalists have yet touched in the State), the latest development of High Grade Manganese in Kodagunur, the development of copper industry in Nanjangud, the successful flotation of the Mysore Industrial Bank and the Mahalakshmi Woollen Mills and other industries in Yesvantapur - all these will I hope bear ample testimony to my capacity to properly handle and manage the large mining concessions.

If Government only act promptly in this matter, all questions connected with labour, unemployment, deficit budgets, need for retrenchment Ac., are sure to disappear very soon.

COPY.

Bangalore, 14th June 1922.

B. Jayaram, Esqr., F. G. S.,
Director,
Mysore Geological Department,
BANGALORE.

Sir,

We have the honor to request that an exploring license may be granted to us over the District of Hassan with special protection in respect of Chrome ore for a period of five years.

As the Government are aware, we have, after considerable expenditure of money, time, energy and skill, proved that the Huggihalli area in the Channarayapatna taluk is capable of yielding large quantities of Chrome ore of high grade running from 46 to 50% Cr_2O_3, whereas it had, in the past, been condemned and abandoned by such powerful and influential syndicate as the Mysore Chromium Company, as containing only low grade ore (42% Cr_2O_3) and the attempts made by that Company to concentrate the ore up to 46 or 50% Cr_2O_3, with the necessary concentrating plant were also given up as fruitless. The developments made by us in the Bhakterhalli block which we hold in that area have clearly shown that good quality ore (46 to 50% Cr_2O_3) comparable to that of the Kadakoli area is obtainable in the Huggihalli area.

It is also well known to the Government that the Hanyoodanhalli Chrome block in the Mysore Taluk was developed by us and proved to yield high grade Chrome ore with 46 to 49 Cr_2O_3, while it had been abandoned by the previous licensees, viz., Messrs. Mc.Dowell and Company of Madras, as capable of yielding only low grade ore with not more than 36% Cr_2O_3. This block has unfortunately been resumed by Government and another block given to us in its stead adjoining the Bhakterhalli block in the Huggihalli area.

In the year 1918 we applied for a Prospecting License over the Hullenhalli Block, and although we had a fair and equitable claim for it as we are sure, the records with Government will show, a temporary license over that block was granted by Government to Messrs. Oakley Bowden & Co., Madras on representations made by them that the ore was required for supply to the then Munition Boards. On the expiry of the

temporary

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temporary license to Messrs. Oakley Bowden & Co., we urged the grant of a license to us over the said Hullenhalli block as a compensation for the Hargowdanhalli block resumed by Government, and although the Government had at that time decided to grant that block to us, the decision was altered in consequence of Dr. W. F. Smeeth's suggestions that certain minerals and mineral areas, including chrome, should be reserved for Government. It having now been found by experience that the policy of reservation did not promote private enterprise, but only hampered the development of mineral industries, the Government have been advised by the Economic Development Board to withdraw the reservation and we accordingly beg that the Government may be graciously pleased to grant us a mining lease over the Hullenhalli block for which we have prior claims under the circumstances mentioned above, as well as an exploring license which gives us not only special protection from unhealthy competition, but also the exclusive right to obtain mining leases under the existing rules over blocks to be selected by us within that District.

Although three mining blocks have been sanctioned in our favour for Chrome ore uptodate, it is only the Bhakterhalli block which has so far been in our actual possession, the other blocks have not yet been taken possession of as the leases thereof are still under issue. From the single block in our possession we have up to date extracted 45,571 tons of Chrome Ore, exported 16,901 tons, and paid to the Government a Royalty of R.14,106/13/3, from which it will be apparent that we have been the largest producers of the mineral so far in the Mysore State. We are now anxious to organise and develop the Chrome industry in the State on a far more substantial and permanent basis and to concentrate the ore on the spot with the necessary plant. The scheme we have in view is a very big one and is calculated to benefit not only ourselves personally, but also the Government, and help the development of the Chrome Industry in the State.

As the Government are aware, the most essential factor in all industrial concerns is facility of transport and we are accordingly contemplating the construction of an industrial railway from the mines to connect existing Railway Stations. On our representing this matter to the Dewan Saheb he quite approved of our proposal and asked us to submit suitable proposals through the Railway Secretary to Government and we are accordin-

placing

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ourselves in communication with that officer. We have already negotiated for and obtained estimates for a 2'6" line from our present Bhaktarhalli mines to the Dudda Railway station on the Arisikere-Hassan line. A copy o the mineral map of Mysore showing the proposed line as well as copies of the estimates received are submitted herewith for your kind perusal and submission to Government. In this connection we beg to add that it would also be very desirable for the Government to take advantage of this occasion to have an extended line to run through some important trade and popu lous centres, such as Tiptur, Bhaktarhalli, Chickenhalli, Jambur, Shravana belgola, and Channarayapatna, or Tiptur and Channarayapatna via Shravana-belgola. If any of these commends itself to Government we shall be glad t alter the gauge of our own line consistently with the S. M. R. gauge. This matter can be decided only after discussion with the Railway Secretary and after obtaining the views of the Government.

But All these schemes involve a huge outlay and could be launched only when we have definite assurances from Government in regard to our bei allowed the full and exclusive liberty of dealing with the Chrome Ore in t State of Mysore, or at least with the Ore in the District of Hassan, in the first instance, where our activities are at present confined. The Economic Development Board have already commended for the consideration of the Government the great desirability of the grant of special concessions in respect of each mineral industry in the State, and we beg that in consi deration of the fact that we have been so largely associated with Chrome mining in the State, the Government of H. H. the Maharaja of Mysore be graciously pleased to grant us a concession to develop the Chrome Industry in the State, starting with an exploring license with preferential and ex-clusive rights to obtain prospecting licenses or mining leases for Chrome Ore over selected blocks in the District of Hassan.

In conclusion we entreat your very early and favourable consi-deration of this application and we need not say that what we are asking for is nothing extraordinary nor without precedence.

We have the honour to be,

Sir,

Your most obedient servants,

COPY.

Letter No.Ic.2312/Geol.54-21-18, dated Bangalore, 13th October 1922, from the Secretary to the Government of Highness the Maharaja of Mysore, General Department to the Director, Mysore Geological Department.

With reference to your letter No.90, dated 19th July 1922, recommending that sanction may be accorded to the grant of an exploring license to Messrs. V. Kandiahavalu Mudaliar & Son, over Hassan District, with special protection for Chrome and also a mining lease over Hullenhalli block on the withdrawal of the reservation of that area, I am directed to state that in view of the desirability of reserving Chrome Ore the application is rejected.

Copy.

Sd/- B. Jayaram.

Director,
Mysore Geological Department.

C.H.

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COPY.

Bangalore, 4th March 4

To

The Revenue Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

Sir,

With reference to the Government order No. I. C. 5146-57/Geol 73-23-1 dated 26-2-1924 withdrawing the restrictions in respect of the reservation of chrome, we respectfully invite the attention of the Government to our application dated 14th June 1922 for an exploring license over Hassan District with special protection for Chrome and also a mining lease over Hullenhalli block. Our said application was duly recommended by the Director, Mysore Geological Dept., in his letter to the Government No. 90 dated 19-7-1922 but was rejected by the Government in their order No. I. C. 2312/Geol. 54-21-18 dated 13-10-1922 on the ground that the Government thought it desirable to reserve Chrome. As the Government have now relaxed the restrictions, We beg to request that the Government may be pleased to consider our application with reference to our priority claims and for reasons stated below.

2. In their administration Report for the year 1922-23 the Government were pleased to observe that mining activities during the year greatly manifested themselves and that the business resulting from our private enterprise was the highest on record since chrome business was started in Mysore. After submitting our report dated 14-6-1922 we are able to sell no less than 26,000 and odd tons of chrome ore and this brought the Government a very handsome royalty of Rs 19,662-12-0

3. In the early days of our mining activities we were not able to make anything like a profit on the commercial scale as we were forced to sell chrome at Rs 5/- or Rs 6/- per ton at the mine shed owing

owing to unhealthy rivalry and competition. Of late private competition was not so much in evidence with the result that we were able to concentrate our energies and devolop the industries to a great extent. Thus we were able to mine abd export a large quantity of ore which not only made it possible to obtain better quality of ore but also to increase the royalty revenue to the Government.

4. Furthermore, we wish to state that we hold 3 licenses in the Bhaktarhalli and contiguous areas in Chennaroyapatna taluq. Owing to the difficulties of transport, the prohibitive cost of carting and the paucity of carts in the locality we have not been able to do much business in the area. To overcome these difficulties it is our intention to put up a 2' tram line from the mines to Tiptur Railway Station connecting the 3 Chrome mines under our control and approach the Government for facilities in this direction. The cost of shheme will be about 6 lakhs, and if we are to invest such a large outlay for increasing the output of ore for export purposes and generally improving the industrial resources it is only meet that the Government should grant us protection in respect of chrome in the localities which have already been leased to us. Without some such pretection order it will not be possible to launch on ambitious and costly schemes and unless transport facilities of the kind suggested by us are made available, there is little prospect of devoloping the mining industry any more. Under these circumstances we would suggest to the Government the desirablility of granting us a protection order in our area so that minigg may be developed on a commercial scale to the mutual benifit of the Government and ourselves.

5. In view

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5. In view of what we have submitted above, we would request Government not to issue any licenses to other parties in Chennaroyapatana Taluq for chrome as such a course would throtle our industry and render all our past work for developing the same futile. As we have in view the idea of putting up a tramway line by the side of the roads, we request that the Government may be pleased to grant necessary permission for the purpose. By putting such a tram line by the side of the public Roads, transport of chrome ore will be greatly facilitated which will mean greater revenue to the Government and enhanced mining activities in the state.

6. We enclose herein copies of correspondence for your kind reference, Viz., (i) our application dated 14-6-1922, (ii) Government letter No. I.C.2312/Geol. 54-21-15 dated 13-10-1922 addressed to the Director, Geological Dept., and (iii) the Director"s letter No. 655 dated 30-10-1922 sending us a refund bill for Rs 100/- being the fee for mining lease for chrome over a block of land in the Nuggihalli area. In view of the withdrawl of restrictions now announced by the Government, we beg to renew our application for an exploring license in Chennaroyapatna Tq. As the necessary forms which we submitted in June 1922 are already in the Geological Office, we have remitted the prescribed fees into the Treaury and forwarded the relative challans to the Director, Geological Dept., with a copy of this letter.

In conclusion we fervently pray that the Government may be pleased to grant us the special protection we seek in respect of the areas which have already been leased to us and also to grant us the new license as herein applied for.

We have the honor to be,
Sir,
Your most obedient servants,

P.S.- Specification for the tramway line in original is enclosed herewith for your kind perusal and obliging return when done with.

A Copy of this Prospectus has been filed with the Registrar of Joint Stock Companies, Mysore State

APPLICATION FOR SHARES WILL BE RECEIVED UPTO

THE MYSORE CHROME CORPORATION LIMITED

(Incorporated under the Mysore Companies Regulation VIII of 1917

AUTHORISED CAPITAL -- (Twentyfive Lacs. 2500,000)

Divided into

9,50,000 Ordinary Shares of Rs.2/8/0 each.

50,000 Founders Shares of Rs.2/8/0 each.

Payable Rs.2/8/0 with application

Founder shares will be distributed equally between the subscribers of ordinary shares with a minimum of 1000 ordinary shares within three months from the date of registration.

DIRECTORS.

Legal Advisors.

Auditors.

Managing Agents.

Messrs. V. Manickavelu Mudaliar & Son.

Bankers.

The Mysore Industrial Bank, Limited.

Registered Office.

OBJECTS.

1. To hold concessions and mining rights chiefly in Chrome from the from the Government of MYsore in the state and chiefly in the Chanarayapatna Taluq, and to develop and work the same.
2. To purchase or amalgamate all valuable mining properties in the Mysore Province or elsewhere either in Chrome and Manganese.
3. To purchase from the various small mineowners Chrome and Manganese Ores either for cash or on certain other condition of participation in profits or any other terms suitable to the Corporation.
4. To establish and equip a laboratory for the determination assaying and valuing of ores and mineral products.
5. To erect tram or railway lines connecting the railway from mines.
6. To erect smelters reduction works and separators for the treatment of all classes of ores.
7. Train all men for practical mining and assaying.
8. To establish and maintain a field staff to investigate and report on any mining propositions.
9. To finance the parties who have partly developed and partly producing ores.
10. To act as merchants buying agents, shippers of all classes of ores or minerals produced in this state and elsewhere.
11. And to do all such acts etc., mentioned more fully in the memorandum of Association of the Corporation etc.,

PROMOTION MONEY.

No promotion money is to be paid for raising capital of this corporation.

The Memorandum of Association provides for paying a reasonable commission not exceeding three per cent for subscribing of shares which will be paid on shares allotted.

FOUNDER SHARES.

There is an issue of 50,000 Founders shares of Rs.2/8/0 each, Ten per cent of the net profits of the Corporation will be set apart before providing for Reserve and other funds ordinarily created out of profits and the said ten per cent will be distributed as dividends on the Founders shares.

The Managing Agents Messrs. V. Manickavelu Moodaliar and Son are

to

be allotted and will pay for out of the said 50,000 shares in consideration of their services in connection of the promotion of this Corporation. The remaining rounders shares have been allocated to the Founders including V. Manickavelu Moodaliar and Son in proportion to the number of ordinary shares taken up by them with a minimum of 1000 Ordinary Shares within three months from the date of registration of the Corporation.

QUALIFICATION AND REMUNERATION OF DIRECTORS.

The Corporation's Articles of Association provide that the qualification of a Director is to be the holding in his own right of not less than 500 shares in the Corporation and that the remuneration of a Director is to be such amount as may be fixed by the Directors not exceeding Rs. for each meeting attended by him and such further remuneration (if any) as the Corporation from time to time determine.

Minimum subscription upon which the Directors will proceed to allot is shares.

Preliminary expenses of an incidental to the formation and floatation of this Corporation are estimated not to exceed Rs. exclusive of any brokerage and will be borne and paid by the Corporation.

Copies of the Memorandum and Articles of Association of the Corporation can be inspected at the Registered Office of the Corporation at any time during business hours.

The issue of share certificates is subject to the condition that the certificates may not be completed and ready for delivery until six months after the allotment of shares.

In the event of there being no allotment the deposit will be returned in full and where the number of shares is allotted is less than those applied for the balance will be returned.

Applications should be made on the attached form which must be filled in and forwarded entire along with the money to the Corporation at its registered office.

The Government of His Highness the Maharaja of Mysore should be pleased to give the following concessions to this Corporation on condition that in return of these concessions this corporation will pay to the Government usual Royalty plus one-third of nett profits before providing for reserve fund or such other funds which are usually provided before declaration of dividends.

1. The

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1. The right to explore and work for Chrome in the Chanrayapatna Taluq and for Manganese in Shimoga and Chitaldurg districts for a period of thirty years with option to continue for a further period of thirty years.
2. Mining being a purely speculative concern no preliminary payments such as rents deposits forest compensation etc., should be levied.
3. The chiefly costly item in all mining is all transport of ores and materials. To facilitate this, concession for Railway or Tramline wherever required should be granted free i.e., all old rails sleepers etc., required to be replaced on existing lines to be sold to the mining corporation at concession rates. All Government lands should be given free and private lands should be acquired for the Company under the Land Acquisition Act, supply of sleepers by the Forest Department at concession rates, Railway surveys free etc.
4. No tolls to be levied on carts carrying Chrome or Manganese, Mineowners being required to keep roads in order with their own funds and the usual Government allotment for the maintenance of roads should be given.
5. The Corporation should have full powers without any restriction to permit mining work being carried on by parties approved by the Corporation and the Government should very promptly grant or approve of any assignments of mining blocks to private parties where necessary.

D.O.No. 696 Geol

Mysore Geological Department.

Bangalore, 5th November 1924.

GEN B 2503 T. 1101 1924 INDUSTRIES & COMM'T BRANCH.

Geol & T- 23-18

Dear Sir,

Subject:- Disposal of the applications for chrome license over Byrapur Block.

In connection with our recent discussion on the evening of the 24th of October. 1924 and in view of the fact that the Government are desirous of expediting a decision in regard to the disposal of the applications for the Byrapur chrome Block, I hasten to submit this brief note on a subject, which is becoming considerably involved and irksome.

From our discussion, I gathered that the points at issue for consideration are:-

1. Whether the said Byrapur Block now thrown open to public tender should be disposed of in favour of the best applicant, or

2. Whether it could not be more profitably and desirably worked by the Department of Geology or other Government agency, and if so,

3. How much money would be approximately required for proving its further potentiality and output value etc.

For the purpose of this note, it seems undesirable to enter into a lengthy consideration on several points of interest and importance.

As I have had two long interviews with Messrs. C. B. Oakley and V. Manickavelu Mudaliar (one of which was in the presence of Mr. Anantaraman, Secretary to Government) who were extremely considerate and courteous in placing before me their books and correspondence on the methods and means employed for developing the chrome industry in the State for my careful study and scrutiny, I feel sufficiently convinced in saying that neither Mr. Oakley nor Mr. Manickavelu Mudaliar have been merely sitting on and sleeping over their chrome business and that neither of them has shown any cause for apprehending and believing that the Mysore chrome ores

have

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have got into bad repute in the foreign markets. On the other hand they have in most cases well fulfilled their shipments in regard to the guaranteed quality of their ores.

The fact that they have not been able to effect large sales in chrome cannot be attributed to their fault or lack of interest and business capacity but largely to the capricious nature of the demand and the difficulties experienced in procuring and supplying markets in time. (The two letters herein enclosed will throw some light on the demand for these ores and how "bad competition" can damage deserving interests).

Applications from the public over the present Byrapur Block have been directly received by the Secretary to Government, Revenue and General Branch instead of such applications coming to this Department in the usual course of things. This is a departure unfair to the Department and the mining public, who have mutual confidence in technical knowledge

These applications are not with me, but during our discussion we considered about their relative merits and more or less agreed that under the existing conditions it would be wise and expedient to reserve the Byrapur Block for Government.

I have since given my careful thought to this question and I must frankly confess that it is very difficult to solve satisfactorily. I deem it my duty to invite the careful consideration of the Government to the following points:-

1. In the event of Government not being willing to give the Block to private applicants, it should be held in reserve to work it with a view to supply the future demands of the Mysore Iron Works at Bhadravati. There is only a limited quantity of good high grade chrome ore in the State and should not be sold out indiscrimenately as it would never pay the Iron Works to import such ore and make their Ferro-chrome alloys to sell profitably.

2. There are very large quantities of low grade chrome

ores

ores in the State, which require concentration and blending with high grade ores and better transport facilities if they can be made marketable. So it is necessary for the Government to prevent the wanton and indiscrete sales of all the available high grade ores. For instance the ores found on Chikonahalli and Jambur and neighbouring blocks are of low grade yielding only 42% and less of Cr_2O_3 and they are said to occur in large quantities. While the ores found on Bhaktarhalli and Byrapur blocks are of fairly high grade quality showing an average analyses of 48% Cr_2O_3 . If the latter are not judiciously stacked, sorted and blended with the former the chrome industry in the long run will suffer and Government will derive less profits.

3. During the course of an year or so in 1918 -19 Messrs Oakley Bowden & Co., worked the Byrapur block under conditions unfavourable for the future development of the property, as they worked against time and presumably picked the "Eyes" of the ore bodies. Within the short time they were able to turn up an output of 29133 tons and sold out 16397 tons from time to time.

As stated above these ores are of high grade averaging roughly 48% Cr_2O_3.

At present it is not possible to afford even a very conservative idea in regard to the available quantities and qualities of the ore from this Byrapur Block. In fact, the mode of occurence of manganese and chrome ores in the State is of a very variable character and makes even reasonable calculations of a mining geologist a matter of doubt and uncertainty.

.But for arguments sake even granting that the said block is capable of yielding a very appréciable quantity of good ore, still it is a matter for serious consideration whether it should be worked by this Department or other Governmen. agency merely as a commercial proposition.

It must be remembered that the present demand for chrome is

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in a pretty bad state and the chrome market in general is a capricious one and scrupulously watched and guarded by an international combine.

It must also be borne in mind that the policy of the Government of His Highness the Maharaja has been from time to time to encourage local private enterprise, especially in the case of born and domiciled Mysoreans. The adjacent blocks to the south of Byrapur Block, namely, Baktarhalli, Chikonalli &c., are being worked by Messrs. V. Manickavelu & Son, under mining leases and who have spent much energy, time and money in developing the -- industry to a stage, when they naturally expect the Government to protect them against unhealthy competition and to render them every help to make the industry a success.

Under the foregoing conditions it does not seem to be worth the while of the Government to enter into a questionable and doubtful commercial competition. Personally I do not think that such a step would be dignified and fair.

If in spite of these views Government are pleased to work this Block for commercial purposes, I beg to say that it will be impossible for this Department to undertake such works as it has neither the sufficient not the competent trained staff for commercial work.

I do not also feel justified in advising Government to have another agency created for this work and holding myself responsible for the success or failure of such undertakings. Experience gained in the past and present goes to show that commercial concerns of the kind cannot be so successfully and satisfactorily worked under Government agencies and Government control as under private organizations.

Before concluding this note, attention, may also be invited to the prevelent idea on " Competition " and " Monopoly "

While healthy competition and conservative concessions should

be

be fostered and encouraged in certain cases and conditions, the same principles cannot be advantageously employed in all instances

The economic minerals mined for in the State have in most cases hardly much scope for healthy competition and unless fairly large concessions and protective rights are given to the licensees they cannot be worked profitably.

The present Byrapur Block under consideration is a good -- example of the kind, wherein competition would prove unhealthy.

In conclusion, I much regret for not being able to submit a more lucid note as I have drafted this in a hurry; nevertheless I have said enough for the present to give the Government my frank feelings and opinion in the matter.

It would be certainly desirable for Government to reserve the Byrapur Block for the use of the Mysore Iron Works.

In case these chrome ores are not wanted for the Iron Works, they will be more profitably worked by the license holders of the adjacent Bhaktarhalli and other blocks, who is agreeable to work all these properties to the mutual benefit of the Government and his company.

Yours Sincerely,

B. Fazal Ali

K. R. Srinivasa Iyengar, Esq., M.A.,
2nd Member of Council.
BANGALORE.

(4 returned when last wrote) 145

Encl.

JAEGER BROTHERS
LIMITED
IRON, STEEL & ORE
MERCHANTS.

MIDDLESBROUGH-ON-TEES.

TELEGRAPHIC ADDRESSES:-
"SILICIDE, LONDON"
"JAEGER, MIDDLESBROUGH"

TELEPHONE Nº
9092 LONDON WALL.

A B C CODES 4TH & 5TH EDITION.
BENTLEY'S, WESTERN UNION
& PRIVATE CODES

8, Union Court,
Old Broad Street,
London, E.C.2.

22nd. September 1924

H.Justin E.MacCarthy Esq.
Holmdene,
Ootacamund,

Dear Sir,

We received your favour of the 3rd. inst. but you really do not look at this Chrome Ore business in the proper light and where the great mistake has arisen in India is that you all run round to one another and tell what is happening. For instance, on Friday we had a visit of a gentleman from Madras and he informed us that he had seen a letter of ours to Mr. MacCarthy which again had been shown to Manickavelu, and he came specially to see us because we had stated in this letter that we would be prepared to pay 40% against R.R. and 40% against shipping documents for 10,000 tons Chrome Ore, and in fact he went so far as to be able to tell us the date of the letter we wrote to you.

Schomburg again writes us and tells us exactly what we have written you and various other Indians seem to know all about our correspondence. However, the great point is that owing to the collapse of trade it would not suit us to buy any Chrome Ore at the moment and for this reason you should understand that it would be very silly on our part as merchants to speculate in a contract for 10 000 tons if we were unable

to sell the mineral, and we are quite sure that you would not do it yourself, nor would you advise us to do it either.

When we originally made you the offer we had a definite order in our hands for 10,000 tons at a certain price but through you and Schomburg competing against one another, as well as the other Indians, there was a great deal of delay and by the time we got your final answers from India our buyers decided in between to purchase Rhodesian Ore and we therefore lost the order, and it is for this very reason that we are not now in a position to place such a contract with you.

All of you seem to be certain that because the mining journals stipulate the price as being 85/-, it is possible to get such a figure but we believe we have already told you on various occasions that it naturally suits merchants like ourselves to tell the reporters what prices to put in their papers because if we told them what figures we were buying at the works would naturally want to buy at the same price. All these prices are given to the various journals by merchants; for instance, we, ourselves, give a weekly report regarding Manganese Ore, a friend of ours does the same for Chrome Ore, and so it goes on, therefore you cannot be se your price on journal figures and the sooner the Indian mine owners forget these trade journals the better it will be for them.

When we are in the market again for Chrome Ore we will most certainly give you a chance but we do not want anything at the moment and we are extremely sorry that after all the trouble you have gone to we have been unable to do any business together.

Yours faithfully,
JAEGER BROTHERS LIMITED, DIRECTOR.

Encl.

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LIMITED
IRON, STEEL & ORE
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BENTLEY'S, WESTERN UNION
& PRIVATE CODES

147

8, Union Court,
Old Broad Street,
London, E.C.2.

2nd.- October - 1924

H.Justin E.MacCarthy Esq.
Holmdene,
Ootacamund.

Dear Sir,

We have read with interest your letter of the 10th ult. and what you state regarding Mr. Schomburg may be correct and may not be,-but in any case he seems to be misleading the whole lot of you in India and we may tell you, in order to satisfy your own mind, we have not purchased any ore from Mr. Schomburg and at the present moment we do not intend buying any ore from him, and the reason for this is that the trade is far too bad and your Indian prices are far too high.

We are glad to note that you think you can work Manickavelu and that you are the only person who can. If this is correct you are the first person that has ever been able to do so and we doubt it very much because Manickavelu goes according to his own ways of thinking and does exactly what suits him.

When we are in the market again for Chrome Ore we can assure you we shall give you a chance but not at present figures, and it may also interest you to hear that freights from Madras and Marmagoa to England have gone up considerably, which improves the market for

JAEGER BROS., LTD.

NO. 2[illegible] H.Justin E.MacCarthy Esq. DATE 2.10.24.

Rhodesian because there has been no alteration.

Yours faithfully,

JAEGER BROTHERS LIMITED,

H Jaeger DIRECTOR.

General and Revenue Secretariat,

O. No. C 3504. Bangalore, 24/11/25
Sec 87-25-17

Dear Sir,

In view of the lack of information as to the quality and extent of ore on the manganese and chrome deposits in the State, Government desire that all such blocks now at the disposal of Government should be carefully inspected by an officer ~~should~~ who should be placed on special duty for the purpose He will have to ascertain in respect of each block particulars as to

1) the extent of the block
2) the quality (grade) of the ore, and
3) the probable quantity of ore likely to be available in the block

Government considers that Asst. Engr may be placed on special duty for this purpose.

I am to request you to favour

150 B50—WD 0527 2 d/3

G. R. S. VI–G-32]

SUBJECT

Confidential

Diary No. of letter replied to

Section Gen

File No. 87-23

Serial No. 69

General and Revenue Secretariat

( )

, the 192

D. O. No. I.C 3506

Date of issue 28/11/46

To

Dr Sir

Signed by Mr KV Ananthan

In view of the lack of [illegible] and extra [illegible] on the supply and extra [illegible] of our [illegible] on the manganese [illegible] chrome deposits in the [illegible] district. Such demand [illegible] all such blocks and [illegible] as a dispute [illegible] Such should be [illegible] completely [illegible] by an officer [illegible] who should be [illegible] placed on the [illegible] duty to [illegible] the purpose [illegible] He will have [illegible] to ascertain [illegible] in respect [illegible] each block [illegible] particulars [illegible] and to [illegible]

Dear Sir

I am desired to [illegible] to inform the [illegible] Clearance & Inventorising [illegible] blocks at the disposal [illegible] of Govt. [illegible] for [illegible] are required to [illegible] specially deputed for [illegible] purposes, in process [illegible] for these purposes [illegible] a request to [illegible] define [illegible] the extent of [illegible] the grades of [illegible] of these ore [illegible] blocks,

over

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(3) the probable Quantity
likely to be available on the block
of ore ~~that may be~~
~~collected from the blocks~~. I can be shown
~~by Mr Smith~~ ~~I consider~~ Mr Smith can
that our Men may be placed
on special duty for this
purpose I am also to request you
~~to this Committee and~~
desired to report to Govt
Govt wants Every Opinion
in the matter & also what with a
~~which~~ the Funds ~~which~~ include
the work & likely to cost
& the probable expenditure
which ~~will have to be~~ to work would
incurred for this purpose

Yours sincerely

SNS 19/11 [illegible] 20/11

To
B. J Cayeram Esqr F.G.S
Dir of Geology

[illegible]

G. R. S. VI- G-32] 152 B50—WD 0527

SUBJECT

Diary No. of letter replied to

abd

Section Genl

File No. 87-27

Serial No. 20

No. 1.C 3505-9

General and Revenue Secretariat

( )

„ the *192*

Date of issue 21/11/44

Signed by J. C. N. Rao

To

1) Messrs Ceylon Commercial & Co, Ltd

2) „ Ceylon Navigation & Mercantile Agency Co Ltd

3) „ J. L. Kotelawala Esqr & C. B. Weerasinghe

4) „ V. M. M. Muthiah Chettiar & Sons

5) Mr. C. M. Gunaratne Esqr

Gentlemen,

With reference to the applications under suspension of Import Control for the Clearing agency business, I am directed to inform you that Govt. are not satisfied with the terms offered by you and have decided not to accept them.

over

I am to inform you that Govt have decided not to accept your offer for the reasons stated in the letter under reference.

Bo

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GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore 24.11.27

No. I.C 3505-9
Rev(87-27-20

ENDORSEMENT.

With reference to his tender in respect of Byrapar Hallennahalli Chrome block in the Channarayapatna Taluk &c. area (or) is informed that Government x have decided to reserve this block and not to issue a license in respect of it for the present as the tenders received have been found to be unacceptable.

By Order

for Offg. Secretary to Government,
Revenue Department.

D 2715/26

Mysore Geological Department

D.O.No. 820

GEN & REV SECRETARIAT
27 NOV 1924
INDUSTRIES & COMMERCE BRANCH

Bangalore, 26th November 1924.

Gpost 87-23 21

Dear Sir,

In reply to your confidential D.O. letter dated 21st November 1924, I wish to invite the attention of Government to my note to the Member in Charge dated 5th November 1924, which has some bearing on the present enquiry.

In addition I am submitting the following information on certain facts and figures in regard to the position of the Manganese and Chrome industries in the State, which, I hope will help Government in arriving at a desirable decision on the subject now engaging their attention.

MANGANESE:-

Commercial prospecting and mining for manganese ores in the State date back to the year 1906. During these last 18 years almost all the areas, so far known to this Department containing manganese ores of value and no value have been exploited and worked. A great many blocks and areas examined have been turned down as worthless propositions some stand still as dubious propositions; a good few are of low grade propositions, which attract attention only when they find a favourable market; and a limited few have been steadily yielding marketable ores.

During the period under review the total quantity of manganese ore produced from all the blocks in the State has amounted to 552,441 tons up to the end of June 1924 and the royalty realized thereon is Rs.2,32 739

Throughout the period, the bulk of the output and export goes to the credit of the United Steel Company of Shimoga In fact from the several workings in the Kumsi and Shankargudda areas alone, no less a quantity than 411,169 tons has been exported out of the total 552.441 tons for the whole State.

There is no doubt, whatever, that the richest deposits of

of manganese ore confined to the Kumsi and Shankargudda areas. There is little doubt also that several rich deposits have been worked out. From personal experience, it is clearly known that the largest workings, both in the Kumsi and Shankargudda areas, do not go down to great depths on an avergge not more than 100 to 150 feet deep. In all such workings both quantity and quality have kept varying from horizon to horizon and zone to zone Unless each individual deposit is completely worked out and proved, it would be hazardous to predict even a conservative estimate as to its quantity and quality of ore

With regard to the quality of the ores found in the State, it is no hidden secret as the richest deposits have not yielded an average high grade ore of above 48 to 50% of manganese oxide. It varies from 50% to 33 and only a few areas yield an average grade ore of 45%, MnO_2.

The foregoing gives in brief the general summarized knowledge on the occurrence of manganese in the State in regard to quantity and quality of the ores.

In particular and for the purpose of the present enquiry, I have collected the following information in regard to the blocks now at the disposal of Government:

1 Total number free and at the disposal of Government.

Altogether there are 49 blocks in the State and they are distributed in the four Districts as follows:-

Shimoga.	Chitaldrug.	Tumkur.	Kadur.
22	18	8	1

Of the above, 14 blocks have been probably exploited but not worked. Of these 6 are in the Shimoga 7 in the Chitaldrug and 1 in the Kadur Districts, Respectively.

The remaining 35 blocks have been exploited and worked. Their distribution is:-

Shimoga District.	Chitaldrug.	Tumkur	Kadur.
16	11		1

Out of the above,

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Out of the above, 14 blocks have shown appreciable amounts of output and exported ores, while the rest of the 21 blocks have had ore stacks on the properties without having exported any of the worked ores.

From all the available information it is fairly clear that out of the 49 blocks now at the disposal of the Government, only 14 blocks which have produced saleable ores are worthy of our attention

These 14 blocks are distributed in the Shimoga, Chitaldrug, Tumkur and Kadur Districts and most of them are situated in the reserved areas, viz., Aiyanur, Gangur and Kondli reserves.

The question now is whether these blocks should be again examin-ed and proved by a Government Officer put on special duty with a view to find out the approximate quantity and quality of the ores contained thereon. And within what reasonable time and probable expenditure?

In the light of all past work and knowledge, the answer can only be in the negative; for I cannot sincerely and soundly advise Government to depute a special Officer on work, which while costing time, energy and money does not hold forth in return any remunera-tive or useful results.

The position with regard to chrome ores in the State is not very different, as seen from the following data:-

CHROME ORES.

There are 10 blocks now free at the disposal of the Government They are situated in the Hassan, Kadur and Mysore Districts.

Out of these 4 blocks do not seem to have been worked. Two in the Mysore District have been worked but the ore stacked on them seems very inappreciable in quantity. In the Hassan District four blocks have been worked and of which Byrapur block is the only at-tractive one.

Over the above 10 blocks, there are five applications for pros-pecting licenses over

prospecting licenses over 5 blocks. Four of these applications are pending with Government for favourable consideration.

Thus, it will be seen there are only very few blocks worth considering. The only block of any great consequence at present is the Byrapur one, now reserved by Government

It has already yielded about 27 to 30 thousand tons of a fairly high grade average ore of 45 to 48% Cr_2O_3

So, there seems no special object in deputing a special duty Officer to merely waste time and money on an already proved property, which may or may not come up to high expectations in regard to its future potentialities.

In conclusion, I am of opinion that Government will be well-advised not to enter into commercial competition with the existing public and private enterprise.

To afford all facilities and encouragement to the enterprising mining bodies and to protect and safeguard Government interests in regard to a fair share of royalties and rents &c., should be the set policy of Government.

If on the other hand Government feel justified in working the manganese and chrome blocks on a strictly commercial basis, in view of the fact that the revenues derived so far are by no means adequate and proportionate to the value of the minerals exported and profits made by the private Companies and parties, I see no objection why it should not be done.

For doing so, it would be advisable and necessary not to issue any more prospecting and mining leases over the reserved areas now free at the disposal of the Government and also over other promising blocks, if possible.

In order that Government may not miss the present favourable opportunity of finding a sale for low grade manganese ores in the State, I would strongly advise Government to concentrate their attention to the rapid working of the most promising manganese blocks in the reserved areas in the first instance on a purly commercial basis.

basis. 159

If the above suggestion meets with the approval of Government it seems desirable that Mr. Sen, should be placed in charge of this work and the work conducted on somewhat similar lines as follows:-

That reserved areas should be rapidly inspected for the purpose of selecting three most promising blocks before starting actual operations, thereon.

That the blocks to be selected should, if possible, be within easy, favourable transport facilities.

That the selected blocks should be worked at the same time and under methods suitable to each block.

That the three blocks should be worked by Messrs. Sen, Venkataramaiya and Balaji Rao, each independently under a distinct officer.

That this work should be commenced as soon as possible and progress made carefully measured before the next rainy season.

For carrying on this work, I would suggest a lumpsum of Rupees 15,000/- may be sanctioned in the first instance.

Yours Sincerely,

B. Fazal Ali

To

K. V. Anantaraman, Esq., B.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department, B A N G A L O R E.

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Proceedings of the Govt. of H.H.
the Maharaja of Mysore.

Read

Letter No.1766 dated 14th April 1924 from the Offg. Director of Geology forwarding a list of applications received for the Byrapur Hullemahalli Chrome block in the Chennarayapatna Taluk in pursuance of G.O. No. I.C. 5746-57/Geol 73-23-1 dated 26th Febry. 1924 relaxing the restrictions on the exploitation of chrome and submitting recommendations for the grant of prospecting licenses over the said block.

2. Notice No.I.C.1665/Geol. 73-23-19 dated 5th September 1924 inviting applications from persons who are prepared to form Joint Stock Companies or Syndicates for chrome ore in the Byrapur Hullemahalli block subject to certain terms.

3. Applications received in response to the notice dated 5th Septr. 1924.

4. Correspondence ending with D.O. No.825 dated 26th November 1924 from the Director of Geology in the matter of the inspection of manganese and chrome blocks at the disposal of Government.

Order No. IC 5063-4 / Geol 73-23-22
Dated, Bangalore, 27/1/25
No.

p.t.o.

There was very keen competition among the several applicants for the grant of a prospecting license for chrome over the Byrapur-Hullenahalli block but the offers made individuals were not satisfactory. Government therefore called for tenders from persons prepared to form Joint Stock Companies or Syndicates to mine chrome ore on this block on certain conditions. The tenders received in response to the notice dated 8th Septr. 1924 not being acceptable, Government have decided to reserve ~~for themselves~~ the block in question for the present.

2. Government observe that at present there are not any details available regarding the blocks ~~available for~~ awaiting disposal ~~No definite~~ information is available either as to the ~~quantity~~ quality or the approximate quantity of ore on such blocks. The Geological Department has, in the past not devoted sufficient attention to this aspect of the mineral resources of the State, and Government consider that in view of the increased interest in mining that has been apparent in recent years, no time should be lost in collecting ~~further~~ fuller detail about the reserved blocks available for disposal. They accordingly direct that Messrs. A. M. Sen and B. Venkataramaiya be immediately deputed for this work

3. To start with, about half a dozen chrome blocks, including ~~at any rate~~ the Byrapur-Hullenahalli block and an equal number of manganese blocks should be ~~dealt with~~ selected in the first instance.

for Examination & Report on the work on the selection as the best according to the ~~present rate and time~~ work completed three months from the date of the present estimate.

4. A sum of Rs.5000/- will be placed at the disposal of the officers for the work in question, and an additional grant to this extent will be provided for in the current year's budget of the Geological Department.

Revenue Secretary to Govt.

To

The Director of Geology.

The Comptroller to Govt. through the Financial Sectt.

ACH.

Proceedings of the Government of His Highness
the Maharaja of Mysore.

R e a d --

Letter No.1766 dated 14th April 1924 from the Offg. Director of Geology forwarding a list of applications received for the -- Byrapur Hullenahalli Chrome block in the Chennarayapatna Taluk in pursuance of Government Order No.I.C.5146-57/Geol.73-23-1 dated 26th February 1924 relaxing the restrictions on the exploitation of chrome and submitting recommendations for the grant of prospecting licenses over the said block.

2. Notice No.I.C.1665/Geol.75-23-19 dated 5th September 1924 inviting applications from persons who are prepared to form Joint Stock Companies or Syndicates for chrome ore in the Byrapur Hullenahalli block subject to certain terms.

3. Applications received in response to the notice dated 5th September 1924.

4. Correspondence ending with D.O.No.825 dated 26th November 1924 from the Director of Geology in the matter of the inspection of manganese and chrome blocks at the disposal of Government.

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Order No.I.C. 5068-4 / Geol 87-23-2

Dated, Bangalore, 27 January 1925.

There was very keen competition among the several applicants for the grant of a prospecting license for chrome over the Byrapur Hullenahalli block but the offers made were not satisfactory. Government therefore called for tenders from persons prepared to form Joint Stock Companies or Syndicates to mine chrome ore on this block on certain conditions. The tenders received in response to the notice dated 5th September 1924 not being acceptable. Government have

decided to reserve the block in question for the present.

2. Government observe that at present there are not any details available regarding the blocks awaiting disposal. No information is available either as to the quantity or the approximate quantity af ore on such blocks. The Geological Department has, in the past, not devoted sufficient attention to this aspect of the mineral resources of the State, and Government consider that in view of the increased interest in mining that has been apparent in recent years, no time should be lost in collecting fuller details about the reserved blocks available for disposal. They accordingly direct that Messrs. A. M. Sen and B. Venkataramaiya be immediately deputed for this work.

3. To start with about half a dozen of the best and most promising chrome blocks, including the Byrapur-Hullenahalli block and an equal number of manganese blocks should be selected for examination and the work on them commenced at once and arranged to be completed in three months. The Director is requested to report the names of the blocks selected for the information of Government.

4. A sum of Rs.5000/- will be placed atthe disposal of the officers for the work in question. A demand for an additional grant to this extent will be placed before the next session of the Legislative Council.

for Secretary to Government,
Revenue Department.

To

The Director of Geology in Mysore.

The Comptroller to Government through Financial Sectt.

ACH.4.